

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 27 November 2024 and will remain open until 5.00 p.m. on 4 December 2024. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/Opening of Application	27 November 2024
Closing Date/Closing of Application	4 December 2024
Balloting of Application	9 December 2024
Allotment/Transfer of IPO Shares to successful applicants	13 December 2024
Date of Listing	17 December 2024

In the event there is any change to the timetable, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 LISTING SCHEME

4.3.1 Public Issue

A total of 93,351,000 Issue Shares representing 20.0% of our enlarged share capital are offered at the IPO Price and shall be allocated in the following manner:

(a) Malaysian Public

23,338,000 Issue Shares, representing 5.0% of our enlarged share capital are made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 11,669,000 Issue Shares made available to public investors; and
- (ii) 11,669,000 Issue Shares made available to Bumiputera public investors.

(b) Pink Form Allocations

23,338,000 Issue Shares, representing 5.0% of our enlarged share capital are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3 of this Prospectus.

(c) Private placement to selected investors

46,675,000 Issue Shares, representing 10.0% of our enlarged share capital are reserved for private placement to selected investors.

Our Public Issue is expected to raise gross proceeds of RM14.0 million and will accrue entirely to our Company.

4. DETAILS OF OUR IPO (cont'd)

The basis of allocation of our Issue Shares shall take into account the distribution of the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements and to establish a liquid market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or 'greenshoe' option that will increase the number of our Issue Shares. Our Public Issue is subject to the terms and conditions of this Prospectus.

4.3.2 Offer for Sale

Our Selling Shareholder will undertake an offer for sale of 46,675,000 Offer Shares, representing 10.0% of our enlarged share capital at the IPO Price, by way of private placement to selected investors. The details of our Selling Shareholder are as follows:

Name / Address	Relationship with our Group	Before IPO		Offer Shares offered		After IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
Fragrance Century / No. D-09-02, Level 9 EXSIM Tower, Millerz Square @ Old Klang Road Megan Legasi, No. 357 Jalan Kelang Lama 58000 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Promoter, Specified Shareholder and substantial shareholder	298,720,100	80.0	46,675,000	12.5	252,045,100	54.0

Notes:

- (1) Based on the share capital of 373,400,100 Shares after completion of the Acquisition and transfer of 100 subscriber shares to Fragrance Century but before our IPO.
- (2) Based on the enlarged share capital of 466,751,100 Shares after our IPO.

The Offer for Sale is subject to the terms and conditions of this Prospectus.

Further details of our Selling Shareholder are set out in Section 5.1.2(c) of this Prospectus.

4. DETAILS OF OUR IPO (cont'd)

4.3.3 Pink Form Allocations

We have allocated 23,338,000 Issue Shares to Eligible Persons under the Pink Form Allocations as follows:

Categories	No. of eligible persons	Aggregate no. of Issue Shares
Eligible Directors	5	1,700,000
Eligible key senior management	3	1,700,000
Other eligible employees	41	4,670,000
Persons who have contributed to our success	32	15,268,000
Total	81	23,338,000

(a) Allocation to our eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Our Managing Director and Executive Director have opted not to participate in the Pink Form Allocations as they are already our shareholders. Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares
Lim Seng Lee	Independent Non-Executive Chairman	500,000
Choe Sook Ling	Non-Independent Non-Executive Director	300,000
Tan Kea Yong	Independent Non-Executive Director	300,000
Wong Phait Lee	Independent Non-Executive Director	300,000
Choo Foong Ling	Independent Non-Executive Director	300,000
Total		1,700,000

(b) Allocation to eligible employees

The criteria of allocation to our eligible employees, including key senior management, (as approved by our Board) are based on, inter-alia, the following factors:

- (i) our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) full time employee of at least 18 years of age; and
- (iii) the number of Shares allocated to our eligible employees is based on their seniority, position, length of service and/or respective contribution to our Group as well as other factors deemed relevant by our Board.

4. DETAILS OF OUR IPO (cont'd)

Details of the proposed allocation to our key senior management are as follows:

Names	Designation	No. of Issue Shares
Key senior management		
Poo Shea Choon	Chief Financial Officer	700,000
Gan Shy Yin	Head of Operations	700,000
Wong Sook Fun	Key Accounts Manager	300,000
Total		1,700,000

(c) Allocation to persons who have contributed to our success

Persons who have contributed to our success include business associates, customers and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to our success are based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

As at the LPD, to the extent known to our Company:

- (a) Save for the Pink Form Allocations, there are no substantial shareholder, Directors, or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4.3.4 Clawback and re-allocation

Any of our Issue Shares not subscribed for under Sections 4.3.1(a) and 4.3.1(b) above shall be subject to the following clawback and reallocation provisions:

- (i) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated to our Eligible Persons. Likewise, any Issue Shares which are not taken up by our Eligible Persons will be allocated to the Malaysian Public.
- (ii) Subject to (i) above and Section 4.3.3 of this Prospectus, in the event there are Issue Shares not subscribed by the Malaysian Public as well as our Eligible Persons, the remaining portion will be made available for application by way of private placement to selected investors to be identified under Section 4.3.1(c) of this Prospectus.
- (iii) Thereafter, any remaining Issue Shares that are still not subscribed for will be underwritten based on the terms and conditions of the Underwriting Agreement.

The clawback and reallocation shall not apply in the event of over-application under Sections 4.3.1(a), 4.3.1(b), 4.3.1(c) and 4.3.2 of this Prospectus. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4. DETAILS OF OUR IPO (*cont'd*)

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

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4. DETAILS OF OUR IPO (cont'd)

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Principal Adviser, Sponsor, Placement Agent and Underwriter, after taking into consideration the following factors:

- (a) PE Multiple of approximately 14.29 times based on our audited annualised pro forma EPS of 1.05 sen for FPE 2024, calculated based on our audited combined PAT of our Group of RM3.66 million and enlarged share capital of 466,751,100 Shares upon Listing;
- (b) PE Multiple of approximately 13.76 times based on our audited pro forma EPS of 1.09 sen for FYE 2023, calculated based on our audited combined PAT of our Group of RM5.10 million and enlarged share capital of 466,751,100 Shares upon Listing;
- (c) our pro forma combined NA per Share of 4.79 sen as at 30 June 2024 after the adjustments for distribution of dividends, Acquisition, and IPO, calculated based on our pro forma combined NA as at 30 June 2024 of RM22.38 million and enlarged share capital of 466,751,100 Shares upon Listing;
- (d) our historical financial track record as summarised below:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000
Revenue	22,791	33,970	40,855	36,775
GP	9,870	15,263	19,070	18,219
PAT	3,038	4,275	5,095	3,657
Basic and diluted EPS (sen) ⁽¹⁾	0.65	0.92	1.09	0.78

Note:

- (1) Calculated based on PAT for the Period Under Review over the enlarged shares capital of 466,751,100 Shares upon Listing. There are no potential dilutive securities in issue during the respective Period Under Review.
- (e) our competitive strengths as set out in Section 6.5.7 of this Prospectus;
- (f) our Group's business strategies and plans as set out in Section 6.6 of this Prospectus; and
- (g) an overview and outlook of the industry in which our Group operates as set out in Section 7 of this Prospectus.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our Issue Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4. DETAILS OF OUR IPO (cont'd)

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

Upon completion of our IPO, our share capital will be as follows:

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	373,400,100	9,148,310
To be issued under Public Issue	93,351,000	14,002,650
Enlarged share capital upon Listing	466,751,100	23,150,960

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares, subject to any applicable Depository Rules.

Our Offer Shares will rank equally in all respects with our existing Shares, including voting rights, and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Depository Rules.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the number of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

4.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.9 of this Prospectus;
- (b) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our services, retention of our employees, expansion of our client base and to attract new talents;
- (c) to increase the visibility of our Group in the air fragrance industry in Malaysia;
- (d) to provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to our success to participate in our equity growth; and
- (e) to enable us to access the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (cont'd)

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 466,751,100 Shares, our total market capitalisation is estimated to be RM70.0 million upon Listing.

4.8 DILUTION

4.8.1 NA per Share

Dilution is the amount by which our IPO Price exceeds the pro forma combined NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	<u>RM</u>
IPO Price	0.15
Pro forma combined NA per Share as at 30 June 2024 after adjustment for distribution of dividend and Acquisition before IPO	0.03
Pro forma combined NA per Share as at 30 June 2024 after adjustment for distribution of dividend, Acquisition, IPO and utilisation of proceeds	0.05
Increase in pro forma combined NA per Share attributable to existing shareholders	0.02
Dilution in pro forma combined NA per Share to new public investors	0.10
Dilution in pro forma combined NA per Share as a percentage of IPO Price	66.7%

Further details of our pro forma combined NA per Share as at 30 June 2024 is set out in Section 13 of this Prospectus.

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4. DETAILS OF OUR IPO (cont'd)

4.8.2 Effective cost per Share

Save as disclosed below, there is no substantial disparity between our IPO Price and effective cash cost of our Shares acquired by our Promoters, Directors, substantial shareholders or key senior management, or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares during the past 3 years to the date of this Prospectus:

Name	No. of Shares held before our IPO	Total consideration RM	Average effective cost per Share RM
<u>Promoter and substantial shareholder</u>			
Fragrance Century ⁽¹⁾	298,720,100	7,318,650	0.0245
<u>Substantial shareholder</u>			
Lim Chee Lip	74,680,000	1,829,660	0.0245
Total	373,400,100	9,148,310	0.0245

Note:

- (1) Issued under the Acquisition and including the transfer of 100 subscriber shares to Fragrance Century.

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4. DETAILS OF OUR IPO (cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds arising from our Public Issue of RM14.0 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	Estimated timeframe for utilisation from Listing
Business expansion and marketing activities	(a)	6,600	47.2	Within 24 months
Repayment of bank borrowings	(b)	3,000	21.4	Within 6 months
Working capital	(c)	703	5.0	Within 12 months
Estimated listing expenses	(d)	3,700	26.4	Within 3 months
Total		14,003	100.0	

Notes:**(a) Business expansion and marketing activities****(i) New retail kiosks**

Our Group plans to allocate RM1.6 million or 11.5% from our IPO proceeds for our business expansion. As at LPD, we have 6 retail kiosks located in Klang Valley and Kuching, Sarawak. We intend to strengthen our market presence by expanding our network of retail kiosks throughout Malaysia. As such, we intend to set up 4 new retail kiosks to increase our brand visibility and customer base, details of which are as follows:

No. of new retail kiosks	Location
3	Northern region, Central region or Southern region
1	East Malaysia

These retail kiosks will be similar to our present outlets, as our products are small in size and do not require large shelf space for display or testing. We are looking at approximately 80 to 150 sq ft of retail area for our retail kiosks.

We plan to set up 2 retail kiosks by first half of 2025 and another 2 retail kiosks by first half of 2026.

As at LPD, we have identified Johor Bahru and Kota Kinabalu as the locations to set up the 2 new retail kiosks by first half of 2025. We have not identified any specific locations for the remaining 2 new retail kiosks. Our Group's strategy is to rent and set up new retail kiosks in established shopping malls with high numbers of shoppers. We will take into consideration our target population and demographics, size and rental of the location as well as general economic conditions.

4. DETAILS OF OUR IPO (cont'd)

The IPO proceeds will be used to set-up 4 new retail kiosks as follows:

<u>Items</u>	<u>Principal usage</u>	<u>Total costs</u> <u>RM'000</u>
General renovation	To renovate the retail kiosks to adapt to our design	600
Equipment and point-of-sales systems	Equipment such as surveillance system, computers, printers, racks and cash registers to be installed at the retail outlets to facilitate daily operations	40
Start-up costs	Consists of rental, deposits, insurances and staff costs per annum (estimated based on 2 staff per retail kiosk)	960
		<u>1,600</u>

The above costs were estimated based on the actual cost in setting up our existing retail kiosks in Klang Valley.

(ii) Marketing and promotion activities

Our Group plans to allocate RM5.0 million or 35.7% of our IPO proceeds for marketing and promotion activities to enhance our product awareness throughout Malaysia and increase our revenue, as follows:

<u>Marketing and promotion activities</u>	<u>Total cost</u> <u>(RM'000)</u>
Marketing and promotional activities with retail chain customers to roll out promotional campaigns such as rebates and discounts.	3,000
Social media engagement and digital marketing <i>via</i> platforms such as Facebook, Instagram, TikTok, Xiaohongshu (小红书), Lazada, Shopee and Lemon8.	500
Engaging at least 1 local celebrity as our brand ambassador for 1 year. The brand ambassador will participate in advertisements or post contents on their personal social media platforms with our products to attract prospective customers.	500
Mass media advertising which entails printed or digital placement with Vanzo branding or promotional messaging on available channels with high traffic location such as electronic billboards.	500
Sponsorship of events such as concerts to display our brand on posters and advertisements for the event to create brand awareness for our products. We target to sponsor at least 2 events per annum.	500
	<u>5,000</u>

4. DETAILS OF OUR IPO (cont'd)**(b) Repayment of bank borrowings**

We plan to allocate RM3.0 million or 21.4% to partially repay our bank overdrafts and bankers' acceptances which were mainly drawn down to finance our general working capital requirements. We plan to reduce our borrowings as follows:

Financial institution/ Type of facility	Interest rate per annum	Maturity date	Balance as at LPD RM'000	Amount to be repaid from IPO proceeds RM'000
RHB Islamic Bank Berhad/ Bank overdrafts	Ranging from 6.95% to 9.40%	On demand	599	599
Malayan Banking Berhad/ Bankers' acceptances	Ranging from 4.86% to 9.65%	Revolving tenure of up to 150 days	4,369	2,401
			4,968	3,000

We have identified the above borrowings for repayment as it incurs higher finance costs. The expected annual interest savings from the repayment of the bank borrowings are approximately RM0.22 million based on the average interest rate of 7.26% per annum. However, the actual interest savings may vary depending on the then applicable interest rates.

The repayment of bank borrowings is to improve the cash flow position of our Group. Our pro forma gearing ratio is expected to decrease from 0.3 times (after the Public Issue and Offer for Sale but prior to utilisation of proceeds) to 0.2 times (after the utilisation of proceeds).

(c) Working capital

We plan to allocate RM0.7 million or 5.0% of our IPO proceeds to fund our working capital requirements for the purchase of our inventories for our Group's expansion.

(d) Estimated listing expenses

We plan to allocate RM3.7 million or 26.4% of our IPO proceeds to meet the estimated expenses of our Listing. The following summarise the estimated listing expenses incidental to our Listing to be borne by us:

Utilisation	RM'000
Professional fees ⁽¹⁾	3,050
Underwriting, placement and brokerage fees	400
Fees to authorities	65
Printing, advertising fees and contingencies ⁽²⁾	185
Total	3,700

4. DETAILS OF OUR IPO (cont'd)

Notes:

- (1) Includes advisory/professional fees for, amongst others, our Principal Adviser, Financial Adviser, Solicitors, Reporting Accountants, IMR and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Pending deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions as our Directors may deem appropriate.

Any variations from the amounts budgeted for (a), (b) and (d) above, shall be adjusted towards or against, as the case may be, the proceeds allocated for working capital requirements as stated in (c) above. Pending the receipt of proceeds from our Public Issue, we may proceed with our plans as set out in (a), (b), (c) and (d) above by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue are received, we will use the proceeds allocated to replenish our internally generated funds.

Where applicable and required under Rule 8.24 of the Listing Requirements, our Group will seek the shareholders' approval for any material variation to the utilisation of proceeds raised from our Listing.

The financial impact of the utilisation of proceeds from the Public Issue on our pro forma consolidated financial information is set out in Section 13 of this Prospectus.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM7.0 million which will accrue entirely to our Selling Shareholder and we will not receive any of the proceeds. Our Selling Shareholder shall bear all of the expenses such as stamp duty, placement fees and miscellaneous fees relating to the Offer Shares, the aggregate of which are estimated to be approximately RM0.2 million.

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4. DETAILS OF OUR IPO (cont'd)

4.10 UNDERWRITING, PLACEMENT AND BROKERAGE

4.10.1 Underwriting arrangement and commission

(a) Underwriting arrangement

Our Underwriter will underwrite 46,676,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 46,675,000 Issue Shares and 46,675,000 Offer Shares reserved for private placement to selected investors will be fully placed out by our Placement Agent and will not be underwritten.

(b) Underwriting commission

Our Underwriter will underwrite 46,676,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of up to 2.5% of the total value of the underwritten Issue Shares at our IPO Price.

4.10.2 Placement arrangement and fee

Our Placement Agent will place out a total of 46,675,000 Issue Shares and 46,675,000 Offer Shares to selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out to selected investors by our Placement Agent, will be borne entirely by our Selling Shareholder.

4.10.3 Brokerage fee

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4. DETAILS OF OUR IPO (cont'd)

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 46,676,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.10.1 of this Prospectus.

The salient terms of the Underwriting Agreement are as follows:

Conditions precedent

- (i) The obligations of the Underwriter under this Agreement are conditional upon:
 - (a) The acceptance of the Listing and the clearance of registrable Prospectus from Bursa Securities, the approval from SC (Equity Compliance Unit) for the resultant equity structure and the lodgment of registrable Prospectus with the ROC, respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of the Prospectus to the public;
 - (b) The issuance of the Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date thereof or such extension as consented by our Underwriter;
 - (c) There having been, as at any time thereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Group (which in the reasonable opinion of our Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement, if they are repeated on and as of the Closing Date;
 - (d) The issue, offer and subscription of the Issue Shares in accordance with the provisions thereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (e) All necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (f) Our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;
 - (g) The delivery to our Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of our Directors and our shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph (i)(c) above;

4. DETAILS OF OUR IPO (cont'd)

- (h) The delivery to our Underwriter on the Closing Date of Application of such reports and confirmations dated the Closing Date of Application from our Board as our Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date; and
- (i) Our Underwriter being satisfied that our Company will, following completion of the Public Issue be admitted to the official list and its issued and paid-up share capital listed and quoted on the ACE Market without undue delay.

(collectively, the "**Conditions Precedent**")

- (ii) In the event any of the Conditions Precedent are not satisfied by the Closing Date, our Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than 3 Market Days after the Closing Date and upon such termination our Company and our Underwriter shall be released and discharged from their obligations save for our Company's obligations pursuant to the Underwriting Agreement and none of the parties shall have a claim against the other save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within 72 hours of the receipt of such notice (except for monies paid by our Company for the payment of the expenses as provided in the Underwriting Agreement). Our Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice our Underwriter's rights under the Underwriting Agreement.

Termination

- (iii) Notwithstanding anything herein contained, our Underwriter may by notice in writing to our Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:
 - (a) There is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from our Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution of the Issue Shares; or
 - (b) There is withholding of information of a material nature from our Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of the Public Issue, or the distribution of the Issue Shares; or

4. DETAILS OF OUR IPO (cont'd)

- (c) There shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/or adverse change to the business or financial condition of our Group; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
 - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of the Public Issue, or the distribution of our Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (cc) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aaa) on or after the date of the Underwriting Agreement; and
 - (bbb) prior to the allotment of the Issue Shares,

lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 market days; or
 - (dd) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
- (e) There is failure on the part of our Company to perform any of their respective obligations herein contained; or
- (f) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
- (g) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

4. DETAILS OF OUR IPO (*cont'd*)

- (iv) Upon such notice(s) being given, our Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of our obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and our undertaking to indemnify our Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out below:

Names	Nationality / Place of incorporation	Before IPO ⁽¹⁾			After IPO ⁽²⁾		
		No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and/or substantial shareholders</u>							
Allan	Malaysian	-	-	(3)298,720,100	80.0	-	-
Michael	Malaysian	-	-	-	-	-	-
Fragrance Century	Malaysia	298,720,100	80.0	-	-	252,045,100	54.0
<u>Substantial shareholders</u>							
Lim Chee Lip	Malaysian	74,680,000	20.0	-	-	74,680,000	16.0
Choe Sook Ling	Malaysian	-	-	(4)74,680,000	20.0	300,000	0.1
						(4)74,680,000	16.0

Notes:

- (1) Based on the share capital of 373,400,100 Shares after completion of the Acquisition and transfer of 100 subscribers Share to Fragrance Century but before our IPO.
- (2) Based on the enlarged share capital of 466,751,100 Shares after our IPO.
- (3) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.0% in Fragrance Century.
- (4) Deemed interested by virtue of his/her spouse's interest pursuant to Section 59(11)(c) of the Act.

Our Promoters and substantial shareholders do not have different voting rights from the other shareholders of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

5.1.2 Profiles of Promoters and substantial shareholders

(a) Allan

Non-Independent Executive Director, Managing Director, Promoter and substantial shareholder

Please refer to Section 5.2.1(b) of this Prospectus for details of Allan's profile.

(b) Michael

Non-Independent Executive Director and Promoter

Please refer to Section 5.2.1(c) of this Prospectus for details of Michael's profile.

(c) Fragrance Century

Promoter and substantial shareholder

Fragrance Century was incorporated on 14 February 2024 in Malaysia under the Act as a private limited company. The principal activity is investment holding company. The issued share capital of Fragrance Century is RM100 comprising 1,000 ordinary shares.

As at the LPD, the directors of Fragrance Century are Allan and Michael. The details of Fragrance Century's shareholders and their respective shareholdings are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Allan	Malaysian	700	70.0	-	-
Michael	Malaysian	175	17.5	-	-
Tang, YuQiang	Chinese	125	12.5	-	-

(d) Tang, YuQiang

Substantial shareholder of Fragrance Century

Tang, YuQiang, a Chinese male, aged 54, is the substantial shareholder of Fragrance Century.

He graduated from Jiangxi Science & Technology Normal University with a Bachelor's Degree in Applied Chemistry in 1993.

He set up Foshan Ikeda Air Freshener Co. Ltd, a company involved in the manufacturing of air fragrance products, since 2002. Since then, he has garnered over 20 years of experiences in air fragrances industry, where he was responsible for overseeing the formulation of scents and manufacturing of air fragrance products.

He is currently an Honorary President of Foshan Foreign Trade Association, and a President Member of Oway Chamber of Commerce.

In June 2020, he became a substantial shareholder with 10.0% equity interest of Vanzo Asia. He ceased to our substantial shareholder upon completion of the Acquisition.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

(e) Lim Chee Lip
Substantial shareholder

Lim Chee Lip, a Malaysian male, aged 37, is our Group's substantial shareholder.

He graduated from Robert Gordon University, United Kingdom with a Bachelor of Science (Hons) in Surveying in 2010 and a Masters of Law in Construction Law & Arbitration (LLM) in 2017. He has been admitted as a Member of The Chartered Institute of Arbitrators in the United Kingdom and Malaysia since 2015.

He has over 10 years of professional working experiences in the United Kingdom, Middle East and Asia, in the areas of dispute resolution, contract management, as well as corporate finance and advisory. He has also accumulated extensive corporate management experiences including directing, strategic planning and expansion of various private and public companies in Malaysia.

Upon graduation, he worked as Legal Consultant at Stewart Milne Group Limited from March 2010 to December 2012. Thereafter, he joined Hill International Malaysia Sdn Bhd, which is part of one of the largest public-listed consulting firms in the United States of America, as a Consultant from January 2013 to May 2016.

Thereafter, he was appointed as Director in 2 private companies, namely Zesta Holdings Sdn Bhd in May 2016 and TK Equipment Sdn Bhd in January 2017. As Director, he was responsible for overseeing the overall business operations of these companies. While he no longer holds any executive roles in these 2 companies, he is currently still a Director in these companies.

From August 2020 to December 2023, he was appointed as the Executive Director at Hextar Healthcare Berhad, managing glove export operations from August 2020 to December 2023. Subsequently, in January 2024, he grew his leadership experience when he stepped into the role of Executive Director and Chief Commercial Officer at Hextar Retail Berhad, a position he still holds as at the LPD, where he focuses on formulating and implementing strategic development initiatives within the retail segment.

In August 2021, he became our substantial shareholder with 20.0% equity interest of Vanzo Asia.

Lim Chee Lip is the spouse of Choe Sook Ling, our Non-Independent Non-Executive Director.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.1.3 Changes in the Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and/or substantial shareholders' respective shareholdings since our incorporation are as follows:

Names	As at incorporation			Before IPO ⁽¹⁾			After IPO ⁽²⁾		
	Direct	Indirect	No. of Shares	Direct	Indirect	No. of Shares	Direct	Indirect	No. of Shares
	%	%		%	%		%		
<u>Promoters and/or substantial shareholders</u>									
Allan	50	-	50.0	-	(3)298,720,100	80.0	-	(3)252,045,100	54.0
Michael	50	-	50.0	-	-	-	-	-	-
Fragrance Century	-	-	-	298,720,100	80.0	-	252,045,100	54.0	-
<u>Substantial shareholders</u>									
Lim Chee Lip	-	-	-	74,680,000	20.0	-	74,680,000	16.0	(4)300,000
Choe Sook Ling	-	-	-	-	(4)74,680,000	20.0	300,000	(4)74,680,000	16.0

Notes:

- (1) Based on the share capital of 373,400,100 Shares after completion of the Acquisition and transfer of 100 subscribers Share to Fragrance Century but before our IPO.
- (2) Based on the enlarged share capital of 466,751,100 Shares after our IPO.
- (3) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.0% in Fragrance Century.
- (4) Deemed interested by virtue of his/her spouse's interest pursuant to Section 59(11)(c) of the Act.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1 of this Prospectus, we are not aware of any other person(s) who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

5.1.5 Benefits paid or intended to be paid

Save for the dividends paid to our Promoters and substantial shareholders as disclosed in Section 11.7 of this Prospectus, our Directors' remuneration and benefits as disclosed in Section 5.5 of this Prospectus and as disclosed below, there is no amount and benefit that has been or is intended to be paid or given to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS

5.2.1 Profiles of Directors

The profiles of our Directors are as follows:

(a) Lim Seng Lee

Independent Non-Executive Chairman

Lim Seng Lee, a Malaysian male, aged 49, is our Independent Non-Executive Chairman and was appointed to our Board on 16 April 2024.

He graduated with a Bachelor of Science in Business Administration (International Business) from San Francisco State University, the United States in August 2002.

He started his career with Spritzer Bhd (listed on the Main Market of Bursa Securities) as a Sales Executive in December 2003, and was later promoted to Senior Manager in January 2008. He was mainly involved in carrying out sales and marketing activities of bottled water. Subsequently in March 2008, he took the position of Deputy General Manager where he was responsible for assisting the Managing Director and General Manager in strategic planning and implementing corporate social responsibility activities for the group. In March 2011, he was promoted to Group General Manager where he was responsible for overseeing the overall operational activities and ensure that they are in accordance with the group's policies and objectives. In April 2016, he was redesignated to Group Chief Executive Officer and since then, he has been responsible for the overall strategic planning and business direction of the group.

He is currently a Member of North Perak Chinese Chamber of Commerce and Industry and the Head of Small Medium Enterprise Division. He is also the Deputy Chairman of the Board of Governors of Hua Lian High School, Taiping. In September 2024, he has been elected as a National Council Member of The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

Details of his directorships and shareholdings in other companies outside of our Group are set out in Section 5.2.2(a) of this Prospectus.

(b) Allan

Non-Independent Executive Director, Managing Director, Promoter and substantial shareholder

Allan, a Malaysian male, aged 35, is our Non-Independent Executive Director and Managing Director. He was appointed to our Board on 29 December 2023. He is also our Promoter and substantial shareholder. He is principally responsible for overseeing the day-to-day operations, business strategy and corporate direction as well as business development of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

He obtained his Sijil Pelajaran Malaysia ("**SPM**") certificate in 2006. He completed a Food Handler Course and a Chef Training Course which were short-term culinary courses for Chinese cuisine between 2007 and 2008.

In June 2008, he began his career The Coffee Bean & Tea Leaf (Malaysia) Sdn Bhd as a commis and left in September 2008. He then took a short career break before joining with Super Sushi Sdn Bhd as a kitchen crew where he assisted in food preparation and kitchen cleaning and maintenance activities.

In February 2009, he left Super Sushi Sdn Bhd in May 2009. As a commis and kitchen crew, he assisted in food preparation as well as kitchen cleaning and maintenance activities.

Between May 2009 and March 2011, he worked as a casual worker before joining Syarikat Tar Loong Sdn Bhd as a Salesman in April 2011. During his stint with Syarikat Tar Loong Sdn Bhd, he was responsible for the sales of beverages. He left Syarikat Tar Loong Sdn Bhd in February 2013. He subsequently joined his family business, Grybhen Contract Services in March 2013 as a Site Supervisor. During his tenure there, he was in charge of supervising the construction works performed on-site. Subsequently, he left Grybhen Contract Services to join Leika Sdn Bhd in January 2014 as a Site Supervisor where he supervised the on-site construction works for underground piping works. He left Leika Sdn Bhd in July 2014. He then took a career break between August 2014 and March 2015.

In April 2015, he joined Rainbows Health Food Industries Sdn Bhd as a baker and in January 2017, he was promoted to Production Supervisor. During this time, he was in charge of baking health foods. He was later promoted to Production Manager in January 2018 and his role was extended to include undertaking research and development activities on bakery products, in addition to overseeing the company's daily production activities. He left Rainbows Health Food Industries Sdn Bhd in September 2018.

In August 2018, Vanzo Asia was incorporated by Allan, Ng Yee Heng and a few other shareholders. At the time, he was in charge of all operational activities and overseeing product development. In January 2021, he took on the role of Managing Director of Vanzo Asia.

Presently, he does not hold directorship or shareholdings in any other public listed companies or private limited companies.

(c) Michael
Non-Independent Executive Director and Promoter

Michael, a Malaysian male, aged 37, is our Non-Independent Executive Director. He was appointed to our Board on 29 December 2023. He is also our Promoter and substantial shareholder. He is responsible for overseeing the product development, QA/QC as well as the sales and marketing activities of our Group.

After obtaining his SPM certificate in 2004, he assisted in his family business in hardware retail. During this time, he gained experience in overseeing all retail operations and carrying out sales and marketing activities. He left the family business in July 2015.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

He subsequently joined Sasbadi Sdn Bhd as a Sales Representative in August 2015, where he was in charge of sales of educational books to schools. He was promoted to Area Sales Manager in September 2018 and was in charge of for leading and managing a sales team in the sales of educational books. He left Sasbadi Sdn Bhd in January 2020.

In February 2020, he joined our Group as Sales Manager where he was in charge of leading and managing the sales team, as well as overseeing the wholesale and distribution of Vanzo products to distributors and customers. As Sales Manager, he was also involved in the product development and QA/QC activities. In December 2020, he started to increase his shareholdings in Vanzo Asia and in August 2021, he assumed his present role as Executive Director of our Group.

Presently, he does not hold directorship or shareholdings in any other public listed companies or private limited companies.

(d) Choe Sook Ling
Non-Independent Non-Executive Director

Choe Sook Ling, a Malaysian female, aged 33, is our Non-Independent Non-Executive Director and was appointed to our Board on 16 April 2024. She is a member of our Remuneration Committee and Nominating Committee.

She graduated with Bachelor of Science in Business Management from the University of Lancaster, the United Kingdom in 2013. She subsequently obtained her Master of Science in Supply Chain Management from University of Bolton, the United Kingdom in 2017.

She began her career in April 2013 with Halliburton Business Services Sdn Bhd as Associate Procurement Contract Specialist Associate where she was responsible for drafting and reviewing contracts. She was then promoted to Supervisor of Procurement in August 2019 where her responsibilities extended to leading and managing a procurement team in preparation of contracts and purchase orders. She left in Halliburton Business Services Sdn Bhd in January 2020.

Since February 2020, she was active in her own family businesses which spans across various industries including investment holding, trading and retail activities, and food and beverages industry. As at the LPD, she is presently an Executive Director of Sunning Group Sdn Bhd, which is one of her family businesses.

Details of her directorships and shareholdings in other companies outside of our Group are set out in Section 5.2.2(b) of this Prospectus.

Choe Sook Ling is the spouse of Lim Chee Lip, our substantial shareholder.

(e) Tan Kea Yong
Independent Non-Executive Director

Tan Kea Yong, a Malaysian male, aged 37, is our Independent Non-Executive Director and was appointed to our Board on 30 April 2024. He is a member of our Audit and Risk Management Committee.

He graduated from University of London with a Bachelor of Laws in August 2009 and obtained the Certificate of Legal Practice in September 2011. He was admitted as an Advocate and Solicitor of the High Court in Malaya in September 2012.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

Prior to obtaining his Certificate of Legal Practice, he was attached with Messrs Hariati & Khoo Advocates & Solicitors as Legal Executive. He then undertook his pupillage with Messrs Albar & Partners between November 2011 and August 2012, until he was admitted as an Advocate and Solicitor of the High Court in Malaya. Pursuant to that, he continued in Messrs Albar & Partners as Legal Associate until July 2013 when he left Messrs Albar & Partners. In the same month, he joined Messrs Wong Beh & Toh as Legal Associate. He subsequently resigned from Messrs Wong Beh & Toh in May 2016 and joined Messrs Halim Hong & Quek as Legal Associate in June 2016.

While working in Messrs Albar & Partners, Messrs Wong Beh & Toh and Messrs Halim Hong & Quek, he has been involved in, among others, corporate and commercial matters and various capital market exercises such as initial public offerings, acquisitions and corporate restructuring.

He left Messrs Halim Hong & Quek in December 2016 and co-founded Messrs Chua, Tan & Partners in January 2017. As a Partner of the firm, his practice focuses primarily on corporate and commercial matters, including preparation of commercial contracts and corporate advisory matters.

To date, he has accumulated approximately 12 years of experiences in the legal profession.

Details of his directorships and shareholdings in other companies outside of our Group are set out in Section 5.2.2(c) of this Prospectus.

(f) Wong Phait Lee

Independent Non-Executive Director

Wong Phait Lee, a Malaysian female, aged 50, is our Independent Non-Executive Director and was appointed to our Board on 16 April 2024. She is the chairman of our Audit and Risk Management Committee as well as a member of our Remuneration Committee and Nominating Committee.

She obtained her Bachelor of Commerce degree from the University of Western Australia in April 1996. She has been a member of Certified Practising Accountants (CPA) Australia and Malaysia Institute of Accountant since October 1999 and September 2023 respectively.

She started her career as an Associate Consultant in Pricewaterhouse Coopers Malaysia in June 1996. She left in June 2000 as Consultant. In July 2000, she joined Alliance Merchant Bank Berhad as an Assistant Manager and her last held position in November 2003 was as Manager. During that time, she led and participated in various fund-raising exercises in equity and debt capital markets, corporate reorganisation proposals and other advisory work for the company's clients.

In December 2003, she joined Hwang-DBS Securities Berhad as a Manager in Corporate Finance and she left in March 2008 as Vice President in Investment Banking. During that time, she led and participated in various debt and equity capital markets corporate proposals, assisted in due diligence investigations on a project basis for public listed companies and carrying out the role as a financial advisor for the company's clients.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

In April 2008, she joined Astro All Asia Networks Limited in the Investment/ Business Development division. Her responsibilities included developing business models, negotiating commercial and investment contracts, formulating investment structures and managing due diligence processes. She left her position in Astro All Asia Networks Limited in September 2016 as Senior Assistant Vice President.

Subsequently, she spent 5 months from September 2016 to January 2017 at Jiaotong University, Shanghai to improve her proficiency in the Chinese language. In February 2017, she returned to Malaysia and took a short career break before she joined Plato Capital Limited as Director, Investment and Head of Corporate Finance in July 2017 where she was responsible for the management of the company's investment portfolios. She left Plato Capital Limited in October 2017.

In November 2017, she joined Measat Broadcast Networks Sdn Bhd as Senior Assistant Vice President. She was the Head of Operations for 'Astro Go' for 3 years and was the Head of Operations for 'sooka' which is the company's media service. As the Head of Operations for 'sooka', she was involved in the day-to-day operations and continuous development of 'sooka'.

In March 2022, she left Measat Broadcast Networks Sdn Bhd to join Lionsgate Play LLP as Senior Vice President, Malaysia. She was the Country Head of Lionsgate Play LLP's service in Malaysia where she was responsible to build partnership and expand footprint of Lionsgate Play LLP's service in Malaysia. She has left her role at Lionsgate Play LLP since October 2023. Between November 2023 and April 2024 she took a career break. In May 2024 she took on the role of Executive Director in Supermax Corporation Berhad (listed on the Main Market of Bursa Securities) where she is responsible for overseeing the group's finance operations.

Details of her directorships and shareholdings in other companies outside of our Group are set out in Section 5.2.2(d) of this Prospectus.

(g) Choo Foong Ling

Independent Non-Executive Director

Choo Foong Ling, a Malaysian female, aged 52, is our Independent Non-Executive Director and was appointed to our Board on 16 April 2024. She is the chairman of our Remuneration Committee and Nominating Committee as well as a member of our Audit and Risk Management Committee.

She graduated from Universiti Utara Malaysia with a Bachelor of Accountancy in 1997. She has been a Member with the Malaysia Institute of Accountant and the Malaysian Institute of Certified Public Accountant since 2000.

Upon graduation, she joined Coopers & Lybrand Malaysia (now known as PricewaterhouseCoopers Malaysia) in Penang in May 1997 as an Associate. She was promoted to Senior Associate in July 1999 where she was responsible for leading an audit team and was involved in performing audits on companies undertaking initial public offering exercises. She left Coopers & Lybrand Malaysia in January 2001.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

She took a career break between January 2001 and February 2002. In March 2002, she joined AKN Technology Bhd (formerly listed on the Main Market of Bursa Securities) as Internal Audit Manager. During her tenure with AKN Technology Bhd, she also joined AKN Messaging Technologies Bhd (now known as XOX Technology Berhad) as Internal Audit Manager in January 2003. As Internal Audit Manager, she was responsible for setting up the internal audit team, and supervising audit assignments. She left AKN Technology Bhd and AKN Messaging Technologies Bhd in September 2007.

In November 2007, she joined Kontron Manufacturing Services (M) Sdn Bhd, a subsidiary of Kontron AG, Germany ("**Kontron**") as Finance Manager where she was responsible for preparing financial statements and annual budgets. Later in September 2012, she took on the role as Group Internal Auditor in Kontron. At that time, she was in charge of performing audit for Kontron's subsidiaries across different countries. She left Kontron in May 2014.

Thereafter in the same year, she set up Brukopi Sdn Bhd (now known as Vonz Synergy Sdn Bhd). At that time, Brukopi Sdn Bhd is principally involved in coffee trading businesses. In 2018, Brukopi Sdn Bhd changed its name to Vonz Synergy Sdn Bhd and its principal activities to provision of business and corporate consultancy services. As the Executive Director of the company, she was responsible for overseeing and managing the overall operations of the company. The company was dormant between August 2023 and December 2023.

In June 2023, she briefly joined Empire Sushi Sdn Bhd as Chief Financial Officer where she was responsible for overseeing all financial-related matters of the company. She then left in January 2024 and currently focus on business and corporate consultancy services in Vonz Synergy Sdn Bhd.

As at the LPD, Vonz Synergy Sdn Bhd is currently active and she continues to hold the position of Executive Director.

Details of her directorships and shareholdings in other companies outside of our Group are set out in Section 5.2.2(e) of this Prospectus.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.2.2 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Lim Seng Lee

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Malaysian Alliance Berhad	1. To engage with the relevant governmental authorities and municipalities to promote policies that increase collection and recycling rate of post-consumer packaging waste in Malaysia and to facilitate the post-consumer packaging waste value chain by working with recyclers and collection sectors in Malaysia to expand their capacities and capabilities.	Director	11 May 2021	-	-	

2. To promote initiatives among businesses and society at large to increase collection rate of post-consumer packaging waste by partnering with government, non-governmental organisation, trade association, media, retailers, consumers and individuals.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Spritzer Bhd (Listed on the Main Market of Bursa Securities)	Investment holding company with subsidiaries principally involved in the production and sale of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water, manufacturing and selling of polyethylene terephthalate (PET) preforms, PET bottles, caps, toothbrushes and other plastic products, distribution of bottled water and other consumer products, operator of a mini golf course and recreational park and investment holding.	Executive Director	15 October 2015	-	0.97	1.80
Beribu Intan Sdn Bhd	Currently dormant. Intended for property investment holding.	Director	30 August 2005	-	50.00	-
Spritzer Ecopark Sdn Bhd	Operator of a mini golf course and recreational park.	Director	5 January 2015	-	-	-
Langit Makmur Sdn Bhd	Investment holding in shares.	Director	13 July 2021	-	0.14	-
Semangat Suwa Sdn Bhd	Leasing out of agriculture land for cultivation of palm oil.	Director	4 April 2022	-	-	-
The Tapping Tapir Sdn Bhd	Manufacture of non-alcoholic beverages, except non-alcoholic beer and wine and manufacture of soft drink (non-alcoholic flavoured and/or sweetened water).	Director	3 January 2023	-	-	-
Jasa View Sdn Bhd	Property development.	Director	12 December 2017	-	20.00	-
Jana Resources Sdn Bhd	Property investment holding.	Director	7 July 2017	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Chuan Sin Resources Sdn Bhd	Investment holding in property and shares.	Director	7 July 2017	-	20.00	-
Pilihan Inovasi Sdn Bhd	Property investment holding.	Director	16 February 2015	-	-	-
Cabaran Permai Sdn Bhd	Property developer.	Director	19 April 2019	-	20.00	-
WWK Sunland Sdn Bhd	Real estate activities with own or leased property and construction of buildings.	Director	18 February 2020	-	5.00	-
Spritzer Development Sdn Bhd	Dormant.	Director	6 January 2021	-	-	-
H20 Planet Pictures Sdn Bhd	Motion picture, video and television programme distribution activities.	Director	29 July 2022	-	40.00	-
Clarion Integrated Sdn Bhd	Sand quarrying.	Director	19 June 2023	-	33.33	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Bull Media Sdn Bhd	Outdoor advertising, import and export of advertising material and investment holding company.	Director	26 November 2020	7 December 2021	-
Natural Seasons Sdn Bhd	Dissolved on 31 August 2021. Previously involved in the investment holding of properties.	Director	13 January 2015	-	-
Comfort Villa Sdn Bhd	Dissolved on 2 September 2022. Previously involved in the investment holding in properties.	Director	1 July 2014	-	-

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(b) Choe Sook Ling

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Sunning Capital Sdn Bhd	Investment holding of companies involved in property investment and food and beverages services.	Director	11 November 2020	-	-	-
Sunning Group Sdn Bhd	Principally involved in food and beverage services, property development as well as human resources consulting services.	Director	1 October 2021	-	-	-
Sunning Retailer Sdn Bhd	Food, beverage and restaurant services.	Director	19 September 2022	-	-	-
Sunning Technology Sdn Bhd	Dormant with no intended activities.	Director	19 September 2022	-	-	-
Sunning Property Sdn Bhd	Property investment holding.	Director	19 September 2022	-	-	-
Sunning Services Sdn Bhd	Principally involved in the provision of accounting and human resources consulting services.	Director	6 December 2021	-	-	-
Lung Ngen Asia Sdn Bhd	Food and beverage services.	Director	26 January 2022	-	-	-
Lung Ngen Asia (1U) Sdn Bhd	Food and beverage services.	Director	22 December 2023	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(c) Tan Kea Yong

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Mistology Sdn Bhd	Trading of e-cigarettes.	Shareholder	-	-	5.00	-
Chua, Tan & Partners	Provision of legal services (law firm)	Partner	12 January 2017	-	33.33	-

(d) Wong Phait Lee

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
YX Precious Metals Berhad (Listed on the ACE Market of Bursa Securities)	Investment holding company with subsidiaries principally involved in wholesaling, design and manufacturing of gold jewellery.	Independent Non-Executive Director	1 March 2022	-	0.13	-
Supermax Corporation Berhad (Listed on the Main Market of Bursa Securities)	Investment holding company with subsidiaries principally involved in the manufacturing of various types of nitrile latex and natural rubber gloves.	Executive Director	2 January 2024 ⁽¹⁾	-	-	-
Delightful Bites Sdn Bhd	Wholesale of coffee, tea, cocoa and other beverages.	Director	10 August 2020	-	100.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
JS Solar Holding Sdn Bhd	Investment holding company with subsidiaries principally involved in the provision of engineering, procurement, construction and commissioning (EPCC) services and contracting services for solar photovoltaic systems alongside operations and maintenance services.	Director	21 October 2024	-	-	-

Past involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Wong Phait Lee	Consultancy services offered to media related businesses.	Sole proprietor	21 January 2022	(2)-	-

Notes:

- (1) She was appointed as an independent non-executive director on 2 January 2024. Subsequently, she was redesignated to executive director on 8 May 2024.
- (2) The business had expired on 20 January 2024.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(e) Choo Foong Ling

Present involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Vonz Synergy Sdn Bhd	Business consultancy and advisory for management and operational efficiency, provision of editorial, training, coaching and mentoring services for corporate related matters.	Director	26 September 2014	-	100.00	-

As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

The involvements of our Directors in those business activities outside our Group do not give rise to any conflict of interest situation with our business activities, after taking into consideration that the above companies in which our Directors are involved in are not involved in our business activities, and as such do not compete with our Group. The involvements of our Non-Executive Directors in other directorships or business activities outside our Group are not expected to affect their contributions to our Group as they are not involved in our Group's day-to-day operations.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.2.3 Board practice**(A) Board**

Our Board members are from diversified backgrounds in terms of age and expertise. They have professional experience ranging from corporate, accounting and consulting as well as industry experience. Our Board is of the opinion that at present there is adequate diversity in skills, experience, age, cultural background and gender in its composition.

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (a) Our Board shall assume ultimate accountability and responsibility for the performance and affairs of our Group. Our Board is collectively responsible for meeting the objectives and goals of our Group and shall in so doing effectively represent and promote the legitimate interests of our Group and its shareholders. Our Board, at all times, shall retain full and effective control over our Group and shall direct and supervise the business and affairs of our Group.
- (b) Our Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. Our Board shall work with Management as collaborators in advancing the interests of our Group.
- (c) Our Board has delegated certain responsibilities to committees which operate in accordance with the Board Charter and delegated the day to day management of our Group's business to our Executive Directors and the key senior management, subject to an agreed authority limit.
- (d) The principal roles and responsibilities of our Board are as follows:
 - (i) adopting and reviewing a strategic plan, as developed by the management, taking into account the sustainability and long-term value creation of our Group's business and strategic, with attention given to the economic, environmental, social considerations underpin sustainability and governance aspects of the business;
 - (ii) setting and taking responsibility of our Group's sustainability policy to oversee, together with the management, to meet our Group's sustainability goals to maintain the confidence of stakeholders;
 - (iii) reviewing, challenging, and deciding on the management's proposals on matters for our Group including, but not limited to corporate strategy business plan and budget, and monitor the implementation by the management;
 - (iv) supervising and overseeing the conduct of our Group's business, including assessing and monitoring the performance of the management to determine whether the business is properly managed;
 - (v) identifying and assessing the principal business risks faced by our Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

- (vi) setting the risk appetite within which our Board expects the management to operate and ensure that there is an appropriate annual review and periodic testing of our Group's internal control and risk management framework. The framework adopted by the internal auditors of our Group will be based on an internationally recognised risk management framework;
- (vii) adopting a succession planning policy of our Board and the senior management and regularly reviewing the succession plan of our Group, including appointing, training, compensating and where appropriate, to provide for the orderly succession of senior management;
- (viii) establishing a corporate disclosure policy and overseeing the implementation of the shareholders communication policy and an investor relations programme for our Group;
- (ix) setting corporate values and promoting, together with the management, good governance culture within our Group which reinforces the accountability, transparency, integrity, and professional behaviour and ensuring that its obligations to shareholders and other stakeholders are met;
- (x) establishing and maintaining a strong ethical culture and standards within an organisation including combating corruption, bribery and money laundering practices;
- (xi) ensuring that governance in our Group is implemented holistically through a group governance framework and overseeing our Group's adherence to our Group's policies;
- (xii) ensure the integrity of our Group's financial and non-financial reporting. Courts have held that it is the duty of every Director to review financial statements of our Group and carefully consider whether the disclosures are consistent with the Directors' own knowledge of our Group's affairs; and
- (xiii) maintaining and keeping proper records and accounts for our Group.

As at the LPD, our Group has adopted all the relevant MCCG recommendations, which amongst others include the following:

- (i) at least half of the Board comprises independent directors;
- (ii) the positions of the Chairman and the Executive Director cum Chief Executive Officer are held by different individuals;
- (iii) the Chairman is not a member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee;
- (iv) the Board comprises at least 30% woman directors; and
- (v) the tenure of an Independent Non-Executive Director shall not exceed a cumulative term limit of 9 years. Upon completion of the 9 years tenure, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director. If the Board intends to retain an Independent Non-Executive Director beyond 9 years, it shall seek annual shareholders' approval through a two-tier voting process.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In accordance with the Company's Constitution, an election of Directors shall take place each year. At the first Annual General Meeting ("AGM") of our Company, all the Directors shall retire from office, and at the AGM in every subsequent year, 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not.

As at LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Designation	Date of appointment as Director	Date of expiration of the current term of office in AGM	Tenure in office as at LPD
Lim Seng Lee	Independent Non-Executive Chairman	16 April 2024	At the AGM to be held in the year of 2025	Less than 1 year
Allan	Non-Independent Executive Director / Managing Director	29 December 2023	At the AGM to be held in the year of 2025	Less than 1 year
Michael	Non-Independent Executive Director	29 December 2023	At the AGM to be held in the year of 2025	Less than 1 year
Choe Sook Ling	Non-Independent Non-Executive Director	16 April 2024	At the AGM to be held in the year of 2025	Less than 1 year
Tan Kea Yong	Independent Non-Executive Director	30 April 2024	At the AGM to be held in the year of 2025	Less than 1 year
Wong Phait Lee	Independent Non-Executive Director	16 April 2024	At the AGM to be held in the year of 2025	Less than 1 year
Choo Foong Ling	Independent Non-Executive Director	16 April 2024	At the AGM to be held in the year of 2025	Less than 1 year

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

(B) Audit and Risk Management Committee

The members of our Audit and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Wong Phait Lee	Chairman	Independent Non-Executive Director
Tan Kea Yong	Member	Independent Non-Executive Director
Choo Foong Ling	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities on the integrity of our Group's accounting and financial reporting as well as risk management. Our Audit and Risk Management Committee has full access to all information and documents/resources as well as to the internal and external auditors as well as our key senior management team.

The key duties and responsibilities of our Audit and Risk Management Committee as stated in the terms and reference include, amongst others, the following:

- (i) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (ii) To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (iii) To review the internal audit programme, processes and results of the internal audit programme, the effectiveness of the internal audit function, processes or investigation undertaken and, where necessary, ensure that appropriate action(s) is taken on the recommendations of the internal audit function;
- (iv) To review the quarterly results and annual financial statements of our Company and our Group with both the external auditors and management and report the same to the Board of Directors of our Company;
- (v) To consider and review any related-party transactions and conflict of interest situation that arose, persist or may arise within our Company and our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures take to resolve, eliminate, or mitigate such conflicts;
- (vi) To ensure that they are fully informed about significant matters related to the company's audit and its financial statements and addresses these matters and also their concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditors;
- (vii) To consider the report, major findings and management's response thereto on any internal investigations carried out by the internal auditors;
- (viii) To oversight on the establishment, implementation and maintain of a sound risk management framework which identifies, assesses, manages and monitors our Group's business risk; and
- (ix) To perform such other functions as may be requested by our Board and to oversee and recommend the risk management policies and procedures of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

(C) Nominating Committee

The members of our Nominating Committee as at the LPD are as follows:

Name	Designation	Directorship
Choo Foong Ling	Chairman	Independent Non-Executive Director
Wong Phait Lee	Member	Independent Non-Executive Director
Choe Sook Ling	Member	Non-Independent Non-Executive Director

The duties and responsibilities as stated in the terms of reference of our Nominating Committee include, amongst others, the following:

- (i) to establish an appropriate (fit and proper) selection criteria and processes, recruitment process and to recommend to the Board, candidates for all directorships of our Company and members of the relevant board committees;
- (ii) to oversee and shape our Group's governance policies and practices to put in place the succession planning of our Board and senior management and to achieve board effectiveness and governance;
- (iii) to integrate environmental, social and governance ("**ESG**") considerations into nomination processes such as training criteria and ESG experience in order to recruit directors that will bring ESG expertise to our Board;
- (iv) to ensure sufficient diversity and independence in our Board in order to achieve greater depth and breadth in the decision-making process;
- (v) the chairman of the Nominating Committee shall refer to the succession planning policy duly approved by our Board to lead the succession planning for Directors and senior management and appointment of members of our Board and senior management and oversee the development of a diverse pipeline for our Board and management succession, including the future chairman and Managing Director;
- (vi) to establish the mechanisms for the formal assessment on an annual basis on the effectiveness of our Board as a whole, the effectiveness of each Directors; the effectiveness of our board of committees and senior management; the performance of the Directors and senior management of our Company and the need to bring new skills and perspective to our Board and the senior management. Performance evaluations of our Board and senior management include a review of the performance of our Board and senior management in addressing our Company's material sustainability risks and opportunities;
- (vii) to utilise the annual evaluation forms duly approved by our Board to assess the effectiveness of our Board, our board committees and the contribution and performance of each individual Director and the chairman and to disclose the annual evaluation methodology and results in the corporate governance report of our Company;
- (viii) to review on an annual basis, the meeting attendance of our Board and/or board committee(s) meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in our Company;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

- (ix) to review on an annual basis, the term of office and performance of our audit and risk committee and each of its members to determine whether our audit committee and members have carried out their duties in accordance with the terms of reference of the audit committee;
- (x) to assess our independent non-executive Directors in terms of their independence and ability to discharge their responsibilities or functions as well as the exercise of their independent judgment or their ability to act in the best interests of our Company;
- (xi) to review on an annual basis, the length of service of each independent non-executive Director. The tenure of an independent director shall not exceed a term limit of 9 years. After a cumulative term of nine (9) years, the independent director may continue to serve on our Board as a non-independent Director. However, if our Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek shareholders' approval annually through a two-tier voting process in a general meeting.
- (xii) to review and recommend on an annual basis to our Board the appropriate size, structure, balance and composition of our Board, required mix of skills, experience, boardroom diversity and other qualities, including core competencies in order for our Board to function effectively and efficiency and to ensure that the contribution of our Directors and senior management are in line with our Group's requirements and in compliance with the Listing Requirements;
- (xiii) to facilitate our Board induction programme for newly appointed Directors and identify suitable educational and training programmes for continuous development of Directors to ensure the Directors and senior management keep abreast with development in the industry, regulatory changes, sustainability issues relevant to our Company and Board business trends;
- (xiv) to recommend to our Board the removal of a Director including the managing director and senior management if he is ineffective, errant or negligent in discharging his responsibilities;
- (xv) to review and recommend to our Board re-election if Directors who retired by rotation pursuant to our Company's Constitution and re-appointment of Directors who retired pursuant to relevant provisions of the Act and in our Company's Constitution, subject to the conduct of the fit and proper assessment;
- (xvi) to assist our Board to assess and evaluate circumstances where Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same. After deliberation with our audit committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest. To ensure that the individual candidate standing for election should be transparent and make the necessary declaration of the potential conflict of interest to our Board and shareholders;
- (xvii) to provide shareholders of our Company the information they require to make an informed decision on the appointment and/or re-appointment of a director. The information should be included in the notes accompanying the notice of the general meeting;
- (xviii) to act in line with the directions of our Board;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (xix) to provide a report summarising activities of our Nominating Committee for the year which include the application of fit and proper policy in compliance with the MCCG, Listing Requirements and any relevant regulations; and
- (xx) to carry out such other functions or assignments as may be delegated by our Board from time to time within the scope of the Nominating Committee or as may be required under the Listing Requirements.

The recommendations of our Nominating Committee are subject to the approval of our Board.

(D) Remuneration Committee

The members of our Remuneration Committee as at the LPD are as follows:

Name	Designation	Directorship
Choo Foong Ling	Chairman	Independent Non-Executive Director
Wong Phait Lee	Member	Independent Non-Executive Director
Choe Sook Ling	Member	Non-Independent Non-Executive Director

The main function of our Remuneration Committee is to support our Board in actively overseeing the design and operation of our Group's remuneration system to ensure corporate accountability and governance. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) to recommend a remuneration framework for our Directors and key senior management for our Board's approval to ensure corporate accountability and governance with respect to our Board's remuneration and compensation. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors and key senior management of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefits-in-kind;
- (ii) to review and recommend to the Board on the remuneration packages of our Directors and senior management personnel in all forms, particularly on whether the remuneration remains appropriate to the contribution of each of the Directors and senior management personnel, by taking into account the level of expertise, commitment and responsibilities undertaken, with or without other independent professional advice or other outside advice, with reference to our Company's remuneration policy and procedure;
- (iii) to ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Executive Directors and key senior management that is aligned with the business strategy and long-term objectives of the Company;
- (iv) to implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management;
- (v) to structure the component parts of remuneration so as to align with the business strategy and sustainability as well as long term objectives of our Company and to link rewards to individual performance and to assess the needs of our Company for talent at Board level at a particular time;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

- (vi) when recommending the fee and other benefits for our Independent Directors, our Remuneration Committee shall ensure it does not conflict with our Independent Directors' obligations to bring objectivity and independent judgment on matters discussed at Board meetings;
- (vii) to establish frequent communication with other board committees, namely Nominating Committee, to align remuneration policies and procedures to succession plans and talent management of executives, and Audit and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures;
- (viii) to table separate resolutions on the approval of the fees of each Non-Executive Directors of the Company and to provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of our Company; and
- (ix) To perform any other functions as defined by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

5.2.4 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements (contracts for services) entered into between the companies within our Group with our Directors.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.2.5 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO, assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations, are set out below:

Names	Designation / Nationality	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Seng Lee	Independent Non-Executive Chairman / Malaysian	-	-	-	-	500,000	0.1	-	-
Allan	Non-Independent Executive Director and Managing Director / Malaysian	-	-	⁽³⁾ 298,720,100	80.0	-	-	⁽³⁾ 252,045,100	54.0
Michael	Non-Independent Executive Director / Malaysian	-	-	-	-	-	-	-	-
Choe Sook Ling	Non-Independent Non-Executive Director / Malaysian	-	-	⁽⁴⁾ 74,680,000	20.0	300,000	0.1	⁽⁴⁾ 74,680,000	16.0
Tan Kea Yong	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	0.1	-	-
Wong Phait Lee	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	0.1	-	-
Choo Foong Ling	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	0.1	-	-

Notes:

- (1) Based on the share capital of 373,400,100 Shares after the Acquisition and transfer of 100 subscribers Share to Fragrance Century but before our IPO.
- (2) Based on the enlarged share capital of 466,751,100 Shares after our IPO.
- (3) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.0% in Fragrance Century.
- (4) Deemed interested by virtue of her spouse's interest pursuant to Section 59(11)(c) of the Act.

None of our Directors are the corporate representative of Fragrance Century, our corporate shareholder.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

5.3 KEY SENIOR MANAGEMENT

5.3.1 Profiles of key senior management

The profiles of Allan and Michael are set out in Section 5.2.1 of this Prospectus while the profiles of our other key senior management are as follows:

(a) Poo Shea Choon
Chief Financial Officer

Poo Shea Choon, Malaysian male, aged 48, is our Chief Financial Officer. He is responsible for overseeing our Group's overall financial activities, including daily accounting and financial reporting activities.

He obtained his London Chamber of Commerce and Industry Diploma in Accounting in 1995. He has been a Member with the Association of Chartered Certified Accountants since 2002 and the Malaysian Institute of Accountants since 2003.

He began his career with Peter Chong & Co. as an Audit Assistant in February 1999 and was promoted to Semi-Senior in July 2000. He left Peter Chong & Co. in April 2001 and joined Deloitte KassimChan (now known as Deloitte Malaysia) as an Audit Junior and was involved in various audit assignments. In July 2003, he was promoted to Audit Senior and his role extended to leading an audit team. He left Deloitte KassimChan in January 2004.

From January 2004 to November 2004, he worked in Pasaraya Hiong Kong Sdn Bhd as an Accountant where he was in charge of overseeing the company's finance and accounting activities.

In November 2004, he joined Muhibbah Steel Industries Sdn Bhd (a subsidiary of Muhibbah Engineering (M) Bhd) as an Accountant. He was later transferred to Muhibbah Engineering (M) Bhd as Finance Manager in March 2005 and then to Muhibbah Petrochemical Engineering Sdn Bhd (a subsidiary of Muhibbah Engineering (M) Bhd) as Finance Manager in November 2006. He left Muhibbah Petrochemical Engineering Sdn Bhd in February 2011. During his tenure there, he was responsible for overseeing the activities of the finance team, preparing financial statements and annual budget as well as tax and finance activities.

In February 2011, he joined Wagners Global Services (Malaysia) Sdn Bhd as Senior Accountant where he was in charge of all finance and accounting-related activities. He left Wagners Global Services (Malaysia) Sdn Bhd in October 2014. In the following month, he joined KNM Group Bhd as Financial Controller - Renewable Energy Division, where he was responsible for the overall financial control and reporting activities.

In November 2015, he left KNM Group Bhd and joined Euro Holdings Berhad in the following month as Chief Financial Officer. During his tenure at Euro Holdings Berhad, he was in charge of overseeing and management of the finance, accounting, tax and treasury activities of the Group. He was also responsible for the preparation of annual budget for the Group and ensuring the submission of reports, including monthly management, as well as statutory financial reporting. He left Euro Holdings Berhad in January 2021 and took a short career break until May 2021.

In June 2021, he joined our Group and assumed his current position as Chief Financial Officer.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

Presently, he does not hold directorship or shareholdings in any other public listed companies or private limited companies.

(b) Gan Shy Yin
Head of Operations

Gan Shy Yin, Malaysian female, aged 37, is our Head of Operations. She is responsible for overseeing business activities related to supply chain, procurement and administration.

In June 2008, she obtained her London Chamber of Commerce and Industry Diploma in Accounting. She subsequently obtained a Bachelor of Business in Human Resource Management from Wawasan Open University in August 2021.

She began her career as a general clerk with Concorde Brickworks Sdn Bhd in January 2005. After the acquisition of Concorde Brickworks Sdn Bhd by Ultimate Brick Manufacturing Sdn Bhd, she was transferred to Ultimate Brick Manufacturing Sdn Bhd in July 2008 and took on the role of Purchasing Officer. Later in November 2012, she was transferred to Deluxe Brickworks Sdn Bhd as Administration Assistant. She resigned from Deluxe Brickworks Sdn Bhd in September 2019. During her tenure at Concorde Brickworks Sdn Bhd, Ultimate Brick Manufacturing Sdn Bhd and Deluxe Brickworks Sdn Bhd, she was involved in managing sales orders and payroll.

In October 2019, she joined our Group as Account and Administration Manager where she was involved in the preparation of accounts and payroll as well as issuance of sales orders. She assumed her current position in our Group in July 2021.

She currently serves as director and shareholder for a number of private companies, details of which are set out in Section 5.3.2(a).

(c) Wong Sook Fun
Key Account Manager

Wong Sook Fun, Malaysian female, aged 54, is our Key Account Manager. She is responsible for supporting our Executive Director in the sales and marketing activities.

After obtaining her SPM certificate in 1989, she joined World Optical as a Customer Service Clerk in February 1989. She was then assigned to Oxbridge (M) Sdn Bhd as Customer Service Officer in June 1991 and later transferred to the sales department as Sales Executive in August 1995. She left Oxbridge (M) Sdn Bhd and joined Diethelm Malaysia Sdn Bhd as Sales Executive in December 1998 and was then promoted to Key Account Manager in September 2004. She left Diethelm Malaysia Sdn Bhd in March 2005. During her tenure at these companies, she was responsible for office administrative-related matters as well as promoting and selling optical products to consumers and key accounts customers.

In April 2005, she joined England Optical Group as Strategic Business Unit Manager where she was responsible for planning monthly promotion, organising company events, launching new opening outlets and organising press conferences. She left England Optical Group in August 2006.

In September 2006, she joined Bausch & Lomb (M) Sdn Bhd as Assistant Key Account Manager where she was responsible for promoting and selling optical products, organising events and road shows as well as planning monthly promotion. She left Bausch & Lomb (M) Sdn Bhd in November 2009.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

In December 2009, she joined Blincon (M) Sdn Bhd as Key Account Manager where she was involved in marketing activities as well as promoting optical products and training promoters on product knowledge and selling skills. She left Blincon (M) Sdn Bhd in May 2011.

In June 2011, she joined Maxx Rewards Global Sdn Bhd as Sales Manager. At that time, she was in charge of building and maintaining relationship with clients as well as handling the marketing activities of the company. She left Maxx Rewards Global Sdn Bhd in June 2012.

In July 2012, she joined Lafa Luxury Sdn Bhd as Marketing Manager where she was responsible for managing marketing activities including planning and organising events, roadshows and press conference. She left Lafa Luxury Sdn Bhd in April 2013.

From May 2013 to June 2013, she joined Bionics Sciences Sdn Bhd as Sales and Marketing Manager before joining Anakku Sdn Bhd (a subsidiary of Asia Brands Berhad) in July 2013 as Brand Manager. In January 2014, she was redesignated as Trade Manager. She was mainly responsible for handling all Anakku counters in departmental stores across the Peninsular Malaysia while managing the overseas procurement. She left Anakku Sdn Bhd in February 2018.

In February 2018, she joined Eastern Decorator Sdn Bhd as Sales and Operation Manager and was promoted to Area Sales Manager in April 2018. During her tenure there, she was responsible for promoting bedding products, monitoring all sales executives, team leader and supervisor on daily operations as well as organising events and fairs. She left Eastern Decorator Sdn Bhd in March 2020.

In April 2020, she joined VMSD Pte Ltd as Account Manager where she was responsible for managing the new office start-up and operations in Malaysia as well as managing the daily retail sales and operations team leaders, promoters and ambassadors. She left VMSD Pte Ltd in January 2021.

Between February 2021 and May 2021, she joined F&V Marketing Supply Sdn Bhd as Customer Service Assistant where she assisted in the setting up of new office.

In June 2021, she joined Conceptwin Sdn Bhd as Key Account Manager where she was in charge of all consignment and outright accounts, building and maintaining relationships with customers as well as supervising sales executive and merchandisers on daily operations. She left Conceptwin Sdn Bhd in October 2021. She then took a career break from November 2021 to February 2022.

In March 2022, she joined our Group as Regional Sales and Execution Manager. She assumed her current position as Key Account Manager in January 2024.

Presently, she does not hold any directorship or shareholdings in other companies outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.3.2 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Gan Shy Yin

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Excellent Cool Air Conditioner & Electrical	Servicing, installation and selling of air conditioner and electrical services.	Sole proprietor	22 December 2014	-	-	-
Nilam Ocean Sdn Bhd	Provision of human resources consultancy services. Currently dormant.	Director	11 November 2020	-	100.00	-
Tagonfly Sdn Bhd	Dormant with no intended activities.	Director	15 August 2023	-	-	-
Vitalium Asia Sdn Bhd	Provision of human resources consultancy services.	Shareholder	-	-	100.00	-

Past involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvement other than as a director
Sister Fashion Trading	Sale of clothes, accessories and cosmetics	Sole proprietor	14 September 2012	27 January 2024	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

The involvements of Gan Shy Yin in those business activities outside of our Group do not give rise to any conflict of interest situation with our business activities due to different nature of business. Further, her involvements in those business activities do not require a significant amount of time as Nilam Ocean Sdn Bhd and Tagonfly Sdn Bhd are currently dormant, and she is not involved in the day-to-day operations of Excellent Cool Air Conditioner & Electrical as the daily operation is handled by technical team. For Vitallium Asia Sdn Bhd, her involvement is only limited to the role of a shareholder. Hence, her involvements outside of our Group do not affect her ability to perform her roles and responsibilities to our Group.

5.3.3 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements (contracts for services) entered into between the companies within our Group with our key senior management.

5.3.4 Key senior management's shareholdings

The shareholdings of Allan and Michael are set out in Section 5.2.5 of this Prospectus. The shareholdings of our other key senior management in our Company before and after our IPO are set out below:

Names / Designation / Nationality	Before IPO				After IPO ⁽¹⁾⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Poo Shea Choon / Chief Financial Officer / Malaysian	-	-	-	-	700,000	0.1	-	-
Gan Shy Yin / Head of Operations / Malaysian	-	-	-	-	700,000	0.1	-	-
Wong Sook Fun / Key Account Manager / Malaysian	-	-	-	-	300,000	0.1	-	-

Notes:

- (1) Based on the enlarged share capital of 466,751,100 Shares after our IPO.
- (2) Assuming our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations.

None of our key senior management represent any corporate shareholder.

5.4 RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at the LPD:

- (a) Choe Sook Ling, our Non-Independent Non-Executive Director, is the spouse of Lim Chee Lip, our substantial shareholder;
- (b) Allan, our Managing Director, is the director and shareholder of Fragrance Century; and
- (c) Michael, our Executive Director, is the director and shareholder of Fragrance Century.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

5.5 REMUNERATION AND BENEFITS

5.5.1 Directors

The aggregate remuneration and benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2022	Directors			(1)Statutory	Benefits	Total
Director	fees	Salaries	Bonuses	contributions	-in-kind	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Allan	-	106	16	14	10	146
Michael	-	97	9	13	2	121

FYE 2023	Directors			(1)Statutory	Benefits	Total
Director	fees	Salaries	Bonuses	contributions	-in-kind	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Allan	-	130	16	15	10	171
Michael	-	106	14	16	2	138

Proposed for FYE 2024	Directors			(1)Statutory	Benefits	Total
Director	fees	Salaries	Bonuses	contributions	-in-kind	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lim Seng Lee	(2)-	-	-	-	-	-
Allan	-	184	(3)-	23	10	217
Michael	-	158	(3)-	21	2	181
Choe Sook Ling	(2)-	-	-	-	-	-
Tan Kea Yong	(2)-	-	-	-	-	-
Wong Phait Lee	(2)-	-	-	-	-	-
Choo Foong Ling	(2)-	-	-	-	-	-

Notes:

- (1) Including contributions to Employee Provident Fund, SOSCO and Employment Insurance System.
- (2) They are not entitled to any fees until after our Listing. The annual remuneration are as follows:

Directors	Directors		Total
	fees	Allowance	
	RM	RM	RM
Lim Seng Lee	60,000	2,500	62,500
Choe Sook Ling	42,000	2,500	44,500
Tan Kea Yong	42,000	2,500	44,500
Wong Phait Lee	54,000	2,500	56,500
Choo Foong Ling	48,000	2,500	50,500

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(cont'd)*

- (3) The final bonuses for FYE 2024 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of the Nomination and Remuneration Committee and approved by our Board.

The remuneration for our Directors must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 14.4.1 of this Prospectus for further details.

5.5.2 Key senior management

Save for Allan and Michael whose remuneration and benefits-in-kind are disclosed in Section 5.5.1 of this Prospectus, the aggregate remuneration and benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for the FYE 2022, FYE 2023 and FYE 2024 are as follows:

	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
FYE 2022			
Poo Shea Choon	300 - 350	-	300 - 350
Gan Shy Yin	100 - 150	0 - 50	100 - 150
Wong Sook Fun	50 - 100	-	50 - 100

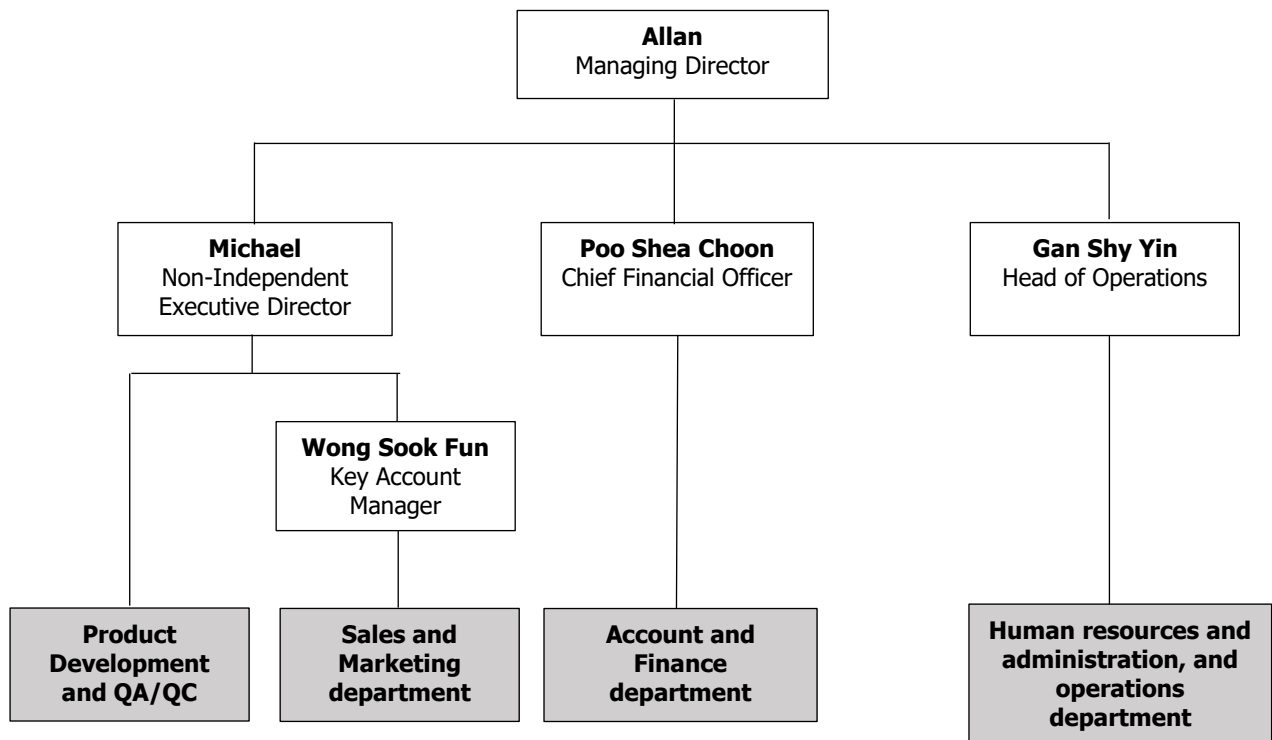
	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
FYE 2023			
Poo Shea Choon	300 - 350	-	300 - 350
Gan Shy Yin	150 - 200	0 - 50	150 - 200
Wong Sook Fun	100 - 150	-	100 - 150

	Remuneration band (in bands of RM50,000)		
	Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
Proposed for FYE 2024			
Poo Shea Choon	350 - 400	-	350 - 400
Gan Shy Yin	150 - 200	0 - 50	150 - 200
Wong Sook Fun	100 - 150	-	100 - 150

The remuneration for our key senior management includes salaries, bonuses, allowances and other emoluments. The final bonuses for FYE 2024 are not included. Such bonuses, if any, will be determined later depending on the performance of our Group. Further, the remuneration for our key senior management must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

5.6 MANAGEMENT REPORTING STRUCTURE



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (a) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) being the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (h) have any unsatisfied judgment against him/her.

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6. INFORMATION ON OUR GROUP

6.1 BACKGROUND INFORMATION

6.1.1 Incorporation

Our Company was incorporated in Malaysia under the Act on 29 December 2023 as a private limited company under the name of Vanzo Holdings Sdn Bhd. On 13 June 2024, we converted into a public limited company under our present name. We are an investment holding company. Through our subsidiary, we are principally involved in the design, marketing and sale of air fragrance and fragrance-related products.

6.1.2 History and development

Background of our Group

Our Group's history can be traced back to when our Group's founding member, Ng Yee Heng, set up E&W Perfume Enterprise with Lim Soon Eng in 2017 to trade in air fragrance products. Realising the potential market for air fragrance products that do not contain harmful chemical compounds, Ng Yee Heng approached our current Managing Director, Allan and a few other shareholders to set up Vanzo Asia and establish the "Vanzo" brand.

Vanzo Asia was thus incorporated in August 2018 by Ng Yee Heng, our current Managing Director, Allan, our current Executive Director, Michael (who was then an investor) and 6 other shareholders, i.e. Lim Soon Yin, Lim Soon Eng, Tong Chang Fui, Lim Soon Yok, Kon Yip Choy and Lee Way Wei. At that time, Ng Yee Heng was in charge of our business strategic direction and sales and marketing activities, while Allan managed all operational activities and oversaw product development. In February 2020, Michael joined our Group and took over the sales and marketing activities from Ng Yee Heng.

At the point of incorporation, Allan, Ng Yee Heng and Michael held 7.0%, 40.0% and 3.0% equity interests in Vanzo Asia, respectively, while the remaining shareholders, i.e. Lim Soon Yin, Lim Soon Eng, Tong Chang Fui, Lim Soon Yok, Kon Yip Choy and Lee Way Wei each held 14.0%, 11.0%, 10.0%, 5.0%, 5.0% and 5.0%, respectively.

Later in December 2018, Tong Chang Fui acquired 14.0% equity interests from Lim Soon Yin and subsequently in January 2019, he acquired another 21.0% equity interests in Vanzo Asia from Lim Soon Eng, Lim Soon Yok and Lee Way Wei respectively, resulting in Tong Chang Fui holding 45.0% equity interest in Vanzo Asia.

In April 2019, the share capital of Vanzo Asia was increased from RM100 to RM130,100 and Teh Twan Yen emerged as the shareholder of Vanzo Asia following her subscription of 58,500 shares in Vanzo Asia which resulted in her holding 45.0% equity interests in Vanzo Asia. In August 2019, the share capital of Vanzo Asia was further increased from RM130,100 to RM160,100 and Teh Twan Yen further subscribed for 13,500 shares, maintaining her shareholdings in Vanzo Asia at 45.0%. In November 2019, Kon Yip Choy transferred his entire 5.0% shareholdings to Ng Yee Heng, resulting in Ng Yee Heng holding 45.0% equity interest in Vanzo Asia.

In April 2020, the share capital of Vanzo Asia was further increased from RM160,100 to RM200,000. Due to health concerns, Tong Chang Fui transferred his equity interests (45 shares) to his wife, Teh Twan Yen, in June 2020. Thereafter, the shareholders of Vanzo Asia were Allan, Michael, Ng Yee Heng and Teh Twan Yen who each held 7.0%, 3.0%, 45.0% and 45.0% respectively.

6. INFORMATION ON OUR GROUP (cont'd)

In June 2020, to enhance Vanzo Asia's capabilities in formulating scents, Allan invited Tang, YuQiang, the owner of our Group's outsourced manufacturer, Foshan Ikeda to be an investor in Vanzo Asia to tap onto his vast experience in air fragrance manufacturing and technical expertise in formulating scents. At the time, Tang, YuQiang held 20,000 shares, representing 10.0% equity interests in Vanzo Asia by acquiring 2,000 shares each from Allan and Michael, and 8,000 shares each from Ng Yee Heng and Teh Twan Yen at RM1.00 per share. Thereafter, the shareholders of Vanzo Asia were Allan, Michael, Ng Yee Heng, Teh Twan Yen and Tang, YuQiang who each held 6.0%, 2.0%, 41.0%, 41.0% and 10.0% respectively.

By end of 2020, Allan had built the expertise and experience to operate the company as he has been involved in the operations and product development since Vanzo Asia's inception, and Michael was put in charge of sales and marketing activities as well as QA/QC activities. Both of them saw potential growth opportunities in Vanzo Asia's business and decided to buy over the equity shareholdings of Vanzo Asia from Teh Twan Yen in December 2020 for a total cash consideration of RM0.29 million based on the audited NA of Vanzo Asia as at FYE 2019 of RM0.70 million. In January 2021, the share capital of Vanzo Asia increased from RM200,000 to RM300,000. Allan and Michael subsequently acquired 21% equity interests of Ng Yee Heng in March 2021 for total cash consideration of RM1.89 million at the PE multiple of 3.0 times based on the then forecasted PAT of RM3.00 million for FYE 2021. Ng Yee Heng and Teh Twan Yen divested their investments in Vanzo Asia due to their own personal reasons.

Recognising the need for a strategic investor with corporate experience, Allan and Michael then invited Lim Chee Lip to invest in Vanzo Asia by acquiring the remaining 20.0% equity interests of Ng Yee Heng at a cash consideration of RM3.00 million at the PE Multiple of 5.0 times based on the then forecasted PAT of RM3.00 million for FYE 2021. Lim Chee Lip then became our Group's substantial shareholder in August 2021. The involvement of Lim Chee Lip allowed Allan and Michael to better position Vanzo Asia from a corporate perspective such as gaining strategic input in general corporate management as Lim Chee Lip has executive experience in companies listed on Bursa Securities. Vanzo Asia thereafter increased its share capital to RM500,000 in May 2022 via bonus issue of shares.

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6. INFORMATION ON OUR GROUP (cont'd)

The table below sets out the shareholding structure for Vanzo Asia as at incorporation till the LPD:

Shareholders	As at incorporation		FYE 2019		FYE 2020		FYE 2021		FYE 2022 and FYE 2023		As at the LPD	
	No of shares	%	No of shares	%	No of shares	%	No of shares	%	No of shares	%	No of shares	%
Allan	7	7.0	11,207	7.0	12,000	6.0	168,000	56.0	280,000	56.0	-	-
Michael	3	3.0	4,803	3.0	4,000	2.0	42,000	14.0	70,000	14.0	-	-
Ng Yee Heng	40	40.0	64,040	40.0	82,000	41.0	-	-	-	-	-	-
Lim Soon Yin	14	14.0	-	-	-	-	-	-	-	-	-	-
Lim Soon Eng	11	11.0	-	-	-	-	-	-	-	-	-	-
Tong Chang Fuji	10	10.0	45	*	-	-	-	-	-	-	-	-
Lim Soon Yok	5	5.0	-	-	-	-	-	-	-	-	-	-
Kon Yip Choy	5	5.0	8,005	5.0	-	-	-	-	-	-	-	-
Lee Way Wei	5	5.0	-	-	-	-	-	-	-	-	-	-
Teh Twan Yen	-	-	72,000	45.0	82,000	41.0	-	-	-	-	-	-
Tang, YuQiang	-	-	-	-	20,000	10.0	30,000	10.0	50,000	10.0	-	-
Lim Chee Lip	-	-	-	-	-	-	60,000	20.0	100,000	20.0	-	-
Vanzo	-	-	-	-	-	-	-	-	-	-	500,000	100.0
	100	100.0	160,100	100.0	200,000	100.0	300,000	100.0	500,000	100.0	500,000	100.0

Note:

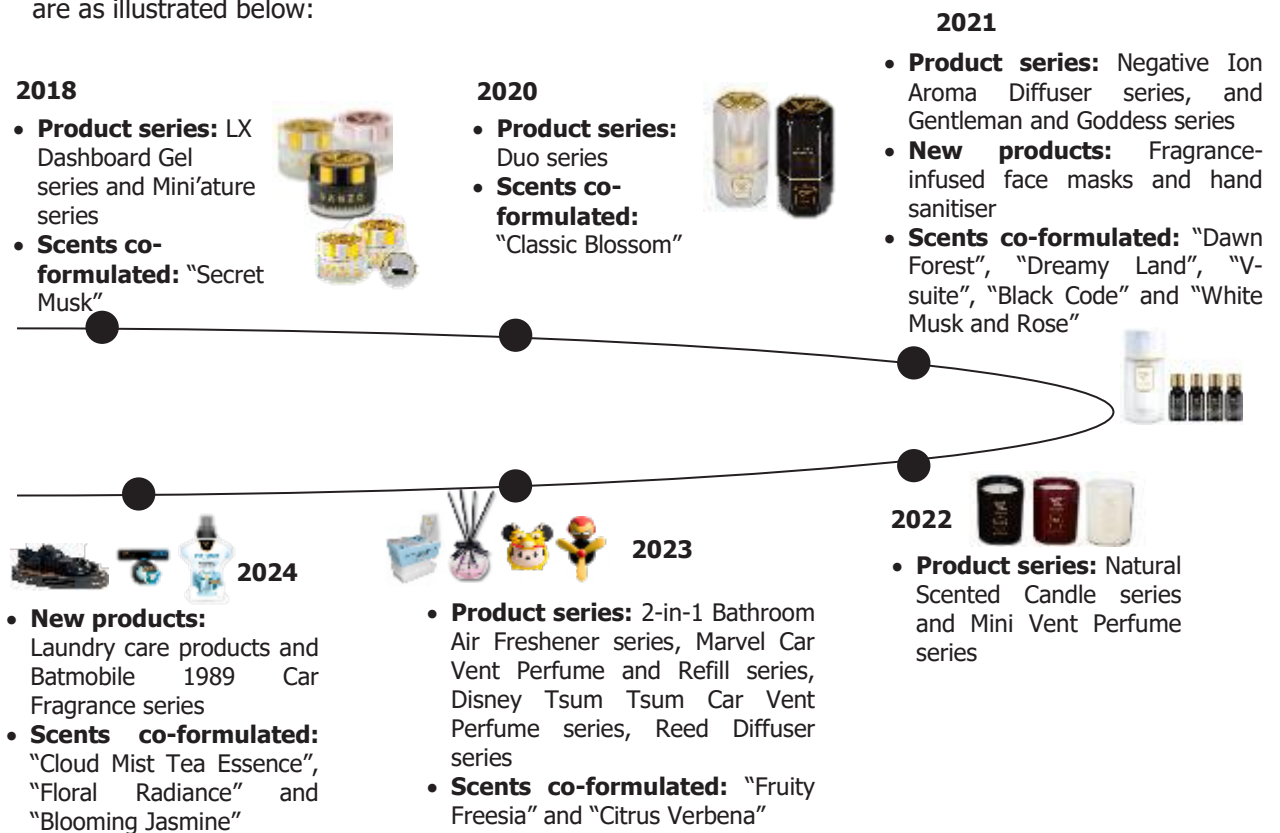
* Less than 0.1%

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6. INFORMATION ON OUR GROUP (cont'd)

Growth and evolution of our business

A summary of product series and scents we have conceptualised and launched over the years are as illustrated below:



Key business milestones

In summary, the key milestones of our business are as follows:

Year	Key milestones and achievements
2018	<ul style="list-style-type: none"> • Vanzo Asia was incorporated. • Commenced operations at a small office unit in Ara Damansara, Selangor measuring approximately 1,800 sq ft. • We began to design, market and sell jar fragrance products and car air-conditioner vent clip fragrance products. • We launched our first 2 product series, the LX Dashboard Gel series, which is a series of jar fragrance products, and the Mini'ature series, which is a series of car air-conditioner vent-clip fragrance products. • The first scent that we co-formulated and launched was "Secret Musk". We also launched scents sourced from our outsourced manufacturer in the same year, i.e. "Velvet Musk", "English Pear and Freesia", "Platinum Musk", "Pure Shampoo" and "Squash". • Our customer base was distributors, resellers and retailers based in Malaysia and Singapore.
2019	<ul style="list-style-type: none"> • We moved to a larger premise in Sunway Damansara, Selangor measuring approximately 6,000 sq ft to cater for business expansion. • We began to sell to customers based in Brunei when we secured our first order for our products from a distributor based in Brunei. • We launched our own online marketplace and began to sell to consumers.

6. INFORMATION ON OUR GROUP (cont'd)

Year	Key milestones and achievements
2020	<ul style="list-style-type: none"> We expanded our product range to include reed diffusers and refills when we launched the Duo series in the same year. We co-formulated and launched a new scent, i.e. "Classic Blossom". We began to market and sell our products through e-commerce marketplaces, "Shopee" and "Lazada". We began to sell to customers based in Australia when we secured an order from a consumer through our online marketplace. We relocated to a new headquarters cum warehouse in Kota Damansara, Selangor measuring approximately 12,000 sq ft to cater for business expansion and streamline storage and distribution processes at a single location.
2021	<ul style="list-style-type: none"> We extended our products range to include fragrance infused face masks and hand sanitizer. We collaborated with Bergamot Sdn Bhd to market and sell fragrance infused face masks under the "Vanscent" brand. We extended our range of products to include ultrasonic diffusers and essential oils when we launched the Negative Ion Aroma Diffuser series. We also conceptualised and launched a new product series under our jar fragrance product range, namely the Gentleman and Goddess series. We co-formulated and launched new scents, namely "Dawn Forest", "Dreamy Land" and "V-suite" for our essential oils, as well as "Black Code" and "White Musk and Rose". We also launched a new scent, namely "Lavender", which was sourced from our outsourced manufacturer.
2022	<ul style="list-style-type: none"> We expanded our product range to include scented candles which we named as the Natural Scented Candle series. We also conceptualised and launched the Mini Vent Perfume series, a series of car air-conditioner vent-clip fragrance products. We launched scents sourced from our outsourced manufacturer in the same year, i.e. "Berry Baies", "Cool Ice" and "Flora Blossom". We expanded our sales channels when we set up our first retail kiosk in Mid Valley Megamall, Kuala Lumpur and subsequently the second retail kiosk in 1 Utama Shopping Centre, Selangor. In line with the growth of our business, we relocated to a larger headquarters cum warehouse in Kampung Baru Subang, Shah Alam, Selangor measuring approximately 48,000 sq ft.
2023	<ul style="list-style-type: none"> We expanded our product range to include bathroom air fresheners and launched our 2-in-1 Bathroom Air Freshener series. In February 2023, we signed a licence agreement with The Walt Disney Company (Malaysia) Sdn Bhd to market and sell our Marvel Car Vent Perfume and Refill series between 1 March 2023 and 30 September 2025. In August 2023, we signed another licence agreement with The Walt Disney Company (Malaysia) Sdn Bhd to market and sell our Disney Tsum Tsum Car Vent Perfume series between 1 September 2023 and 31 March 2026. We co-formulated and launched new scents, i.e. "Fruity Freesia" and "Citrus Verbena". In the same year, we also launched a new scent, "White Musk", which was sourced from our outsourced manufacturer. We also conceptualised and launched a new product series for reed diffusers named as the Reed Diffuser series. We set up our third retail kiosk in Sunway Pyramid Mall, Selangor. Thereafter, we set up our fourth retail kiosk in Pavilion Kuala Lumpur. Subsequently, we set up our fifth retail kiosk in IOI City Mall, Putrajaya.

6. INFORMATION ON OUR GROUP (cont'd)

Year	Key milestones and achievements
2024	<ul style="list-style-type: none"> We commenced our operations at our new headquarters cum warehouse in Bukit Jelutong, Shah Alam, Selangor, with built-up area of 40,878 sq ft. The relocation to our new headquarters cum warehouse was due to better surrounding infrastructure and better access to highways, thus improving accessibility to our headquarters cum warehouse and enhancing our corporate profile. We extended our product range to include laundry care products which consist of fragranced laundry detergent capsules and softeners. We co-formulated and launched new scents, i.e. "Cloud Mist Tea Essence", "Floral Radiance" and "Blooming Jasmine". We also launched new scents, namely "Tropicana Berry", "Amberwood Aura" and "Peony & Ylang", which was sourced from our outsourced manufacturer. In July 2024, we signed a licence agreement with Warner Bros. Consumer Products Inc to market and sell our Batmobile 1989 Car Fragrance series between 1 May 2024 and 31 December 2026. We set up our sixth retail kiosk in Vivacity Megamall, Kuching, Sarawak.

Over the years, we have grown our range of products series and scents. As at the LPD, we market and sell 12 car and indoor fragrance product series as well as 4 personal and household care products with 28 scents, wherein we own the formulation for 12 of these scents. We have also established our industry reputation as the largest homegrown air fragrance company in Malaysia in 2023 in terms of our product sales value (Source: IMR report).

Awards and recognitions

Since inception, we obtained the following awards and recognitions:

Year	Awards / Recognition	Awarding body
2018	<ul style="list-style-type: none"> Awarded Asia Pacific super health brand 2018-2020 (Emerging Enterprise) 	<ul style="list-style-type: none"> The Asia Pacific Book of the Top
2020	<ul style="list-style-type: none"> Readers' Choice Awards 2019 – Best healthy car air refresher Star Outstanding Business Awards – Rising star, special mention Most number of sterilising function air freshener sold in a month Highest number of viewers in a Facebook Live broadcasting product launch Consumers' Choice Award 	<ul style="list-style-type: none"> Natural Health The Star The Malaysia Book of Records The Malaysia Book of Records National Consumer Action Council
2021	<ul style="list-style-type: none"> Star Outstanding Business Awards – Best in marketing 	<ul style="list-style-type: none"> The Star
2024	<ul style="list-style-type: none"> Awarded Asia Pacific super health brand 2024 & 2025 Excellence in Distribution Award 	<ul style="list-style-type: none"> The Asia Pacific Book of the Top The Walt Disney Company (Malaysia) Sdn Bhd

6. INFORMATION ON OUR GROUP (cont'd)

6.1.3 Pre-IPO Exercise

In preparation for our Listing, we have undertaken internal restructuring exercise, as follows:

(a) Acquisition of Vanzo Asia

On 12 June 2024, our Company had entered into a conditional share sale agreement with Allan, Michael, Tang, YuQiang and Lim Chee Lip to acquire the entire issued share capital of Vanzo Asia comprising 500,000 ordinary shares for a total purchase consideration of RM9,148,300 based on the audited NA of Vanzo Asia of RM9,148,302 as at 30 September 2023.

The total purchase consideration is to be satisfied via the issuance of 373,400,000 new Shares at an issue price of RM0.0245 per Share where Allan, Michael and Tang, YuQiang have nominated Fragrance Century to receive the Shares to be issued to them for the Acquisition as follows:

Shareholders	No. of Vanzo Asia Shares to be acquired	Shareholdings held in Vanzo Asia %	Purchase consideration RM	No. of Shares to be issued
Allan	280,000	56.0	5,123,048	-
Michael	70,000	14.0	1,280,762	-
Tang, YuQiang	50,000	10.0	914,830	-
Lim Chee Lip	100,000	20.0	1,829,660	74,680,000
Fragrance Century	-	-	-	298,720,000
Total	500,000	100.0	9,148,300	373,400,000

The shareholders' shareholding in our Company before and after the completion of the Acquisition as follows:

Name	Before completion of Acquisition		After completion of Acquisition and transfer of 100 subscriber share to Fragrance Century but before our IPO	
	No. of Shares	%	No. of Shares	(1)%
Allan	50	50.0	-	-
Michael	50	50.0	-	-
Fragrance Century	-	-	298,720,100	80.0
Lim Chee Lip	-	-	74,680,000	20.0
	100	100.0	373,400,100	100.0

Note:

- (1) Based on the share capital of 373,400,100 Shares after completion of the Acquisition and transfer of 100 subscriber share to Fragrance Century but before our IPO.

The Acquisition was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 3 October 2024. The Acquisition was completed on 4 October 2024. Thereafter, Vanzo Asia became our wholly-owned subsidiary.

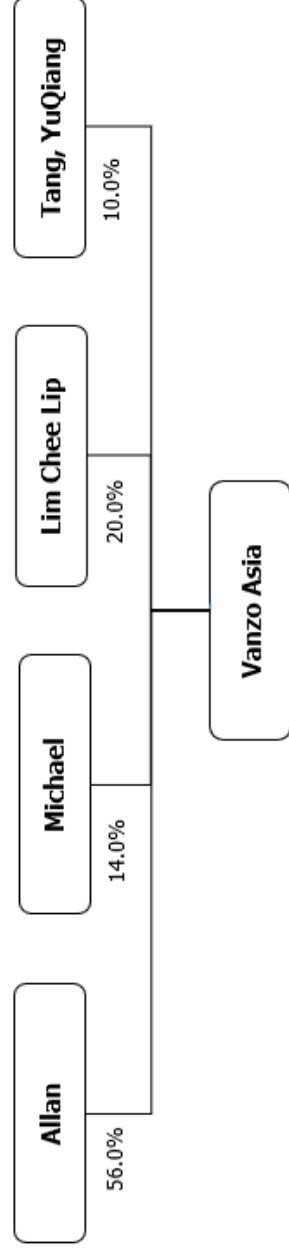
The new Shares issued under the Acquisition shall rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is immediately subsequent to the date of issuance of the new Shares.

6. INFORMATION ON OUR GROUP (cont'd)

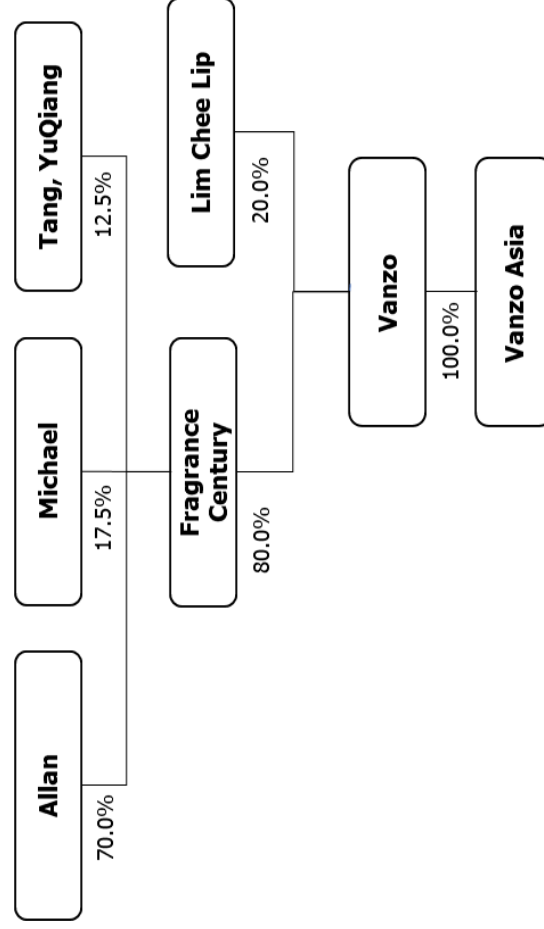
6.1.4 Group structure

Our Group structure before and after the Acquisition and IPO is as follows:

(a) Before the Acquisition and IPO

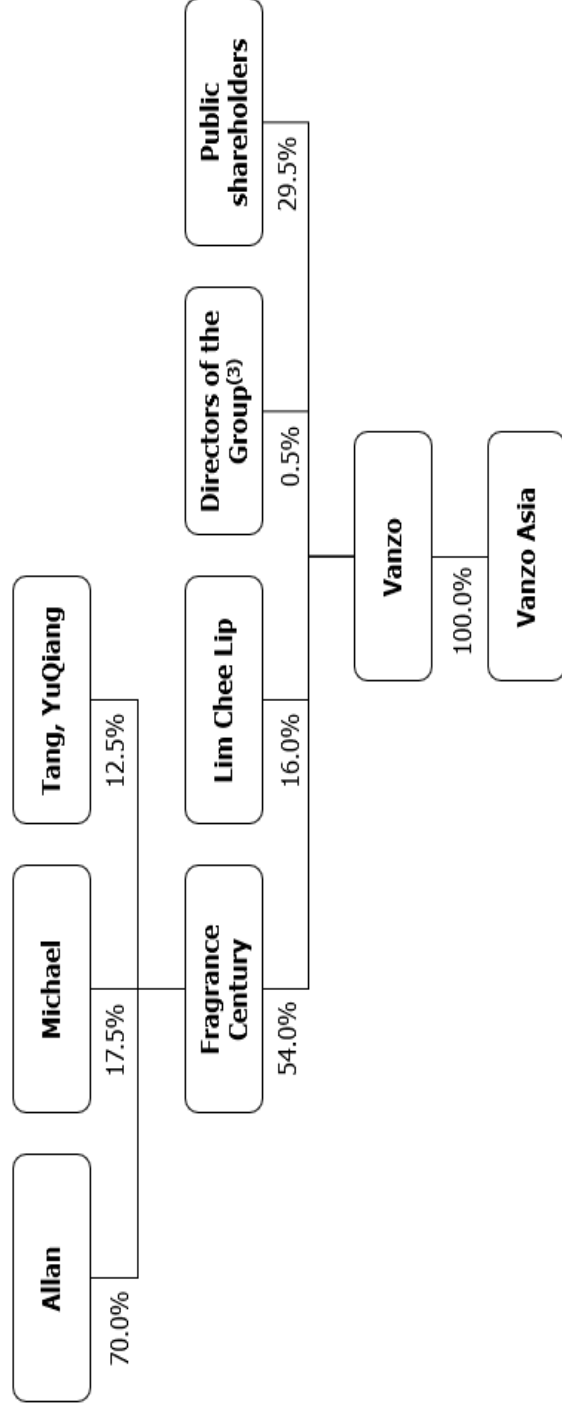


(b) After the Acquisition and before the IPO⁽¹⁾



6. INFORMATION ON OUR GROUP (cont'd)

(c) After the Acquisition and the IPO⁽²⁾



Notes:

- (1) Based on the share capital of 373,400,100 Shares after completion of the Acquisition and transfer of 100 subscribers Share to Fragrance Century but before our IPO.
- (2) Based on our enlarged share capital of 466,751,100 Shares after our IPO.
- (3) Assuming all of our eligible Directors will subscribe for their respective entitlements under the Pink Form Allocations.

6. INFORMATION ON OUR GROUP (cont'd)

6.2 SUBSIDIARY

As at the LPD, details of our subsidiary are summarised as follows:

Company	Registration No.	Date / Place of incorporation	Principal place of business	Effective equity interest (%)	Principal Activities
Vanzo Asia	201801031321 (1293347-X)	30 August 2018 / Malaysia	Malaysia	100.0	Design, marketing and sale of air fragrance and fragrance-related products.

Further details of our subsidiary are set out in Section 14 of this Prospectus.

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6. INFORMATION ON OUR GROUP (cont'd)

6.3 MATERIAL INVESTMENTS AND DIVESTITURES

6.3.1 Material investments

Material investments made by us during the Period Under Review and up to the LPD are as follows:

	Original cost of investment				
	FYE 2021	FYE 2022	FYE 2023	FPE 2024	Up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
• Leased properties ⁽¹⁾	623	1,472	3,458	402	-
• Computer and software	2	17	5	5	3
• Furniture and fittings	28	63	90	107	-
• Motor vehicles ⁽²⁾	288	309	656	193	-
• Office equipment	73	271	78	185	69
• Renovation					
- Headquarters cum warehouse	446	725	99	1,210	62
- Retail kiosks	-	101	301	280	205
• Signboard	11	26	-	40	-
• Tools and equipment	-	183	265	250	17
Total	1,471	3,167	4,952	2,672	356

Notes:

- (1) This relates mainly to the rental of our business premises in Kota Damansara in FYE 2021, Kampung Baru Subang in FYE 2022, Bukit Jelutong in FYE 2023 and our retail kiosks.
- (2) This relates to the purchases of new passenger cars mainly for the use of our Directors and sales and marketing personnel.

The above capital expenditures were made in Malaysia. They were primarily financed by a combination of bank borrowings and internally generated funds.

6.3.2 Material divestitures

Material divestitures made by us during Period Under Review and up to the LPD are as follows:

	At Cost				
	FYE 2021	FYE 2022	FYE 2023	FPE 2024	Up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
• Leased properties	(1)148	(1)623	25	(1)1,447	-
• Furniture and fittings	-	27	-	-	-
• Motor vehicles ⁽²⁾	-	-	285	-	-
• Office equipment	-	26	-	-	-
• Renovation ⁽³⁾	-	533	-	406	-
• Signboard	-	40	-	-	-
Total	148	1,249	310	1,853	-

6. INFORMATION ON OUR GROUP (cont'd)

Notes:

- (1) This relates mainly to the termination of the rental of our headquarters cum warehouse in Sunway Damansara in FYE 2021 and in Kota Damansara in FYE 2022, as well as the derecognition of the lease of our previous premise in Kampung Baru Subang in FPE 2024.
- (2) This relates to the disposal of a passenger car in FYE 2023.
- (3) This relates to renovation for our headquarters cum warehouse in Kota Damansara and Kampung Baru Subang which was written off when we moved to Kampung Baru Subang in FYE 2022 and Bukit Jelutong in FPE 2024, respectively.

The above capital divestitures involve assets located in Malaysia.

6.3.3 Material commitment

Save for the proposed utilisation of proceeds from our Public Issue and our material commitment for our capital expenditure as disclosed in Sections 4.9 and 11.3.4 of this Prospectus, we confirm that we do not have any material commitments contracted and divestitures currently in progress, within or outside Malaysia, which may have a material impact on our Group's financial position or business as at the LPD. All the above material commitments are located in Malaysia.

6.4 PUBLIC TAKE-OVERS

Since our incorporation and up to the LPD, there has been:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.





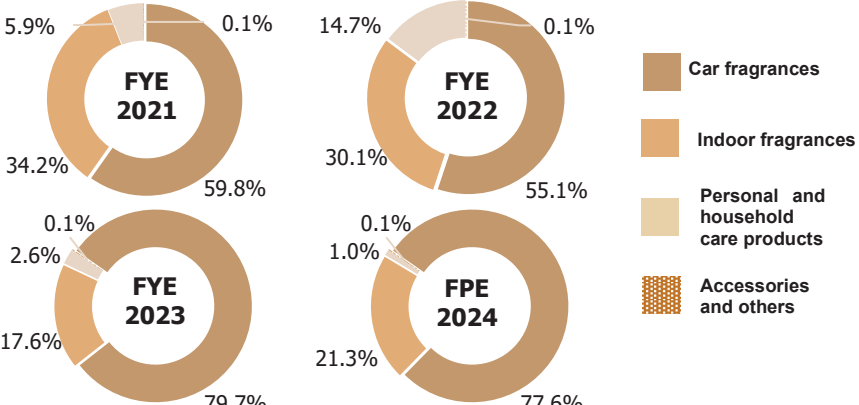
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6. INFORMATION ON OUR GROUP (cont'd)

6.5 BUSINESS OVERVIEW

6.5.1 Description of our business

We are an investment holding company. Through our subsidiary, we are principally involved in the design, marketing and sale of air fragrance and fragrance-related products. Our Group's business model is as summarised in the diagram below:

Principal activity	Design, marketing and sale of air fragrance and fragrance-related products																												
Products segments	Air fragrance products		Fragrance-related products																										
	Car fragrances 	Indoor fragrances 	Personal and household care 	Accessories and others 																									
Brands	<ul style="list-style-type: none"> • Own brand "Vanzo" 		<ul style="list-style-type: none"> • Own brand "Vanscent" • Third-party brand "CopperX" 																										
Sales channels	<ul style="list-style-type: none"> • Distributors and resellers • Retailers • Own retail kiosks • Online platforms (own online marketplace and e-commerce marketplaces) 																												
Customer segment	<ul style="list-style-type: none"> • Distributors and resellers • Retailers • Consumers 																												
Principal markets	<ul style="list-style-type: none"> • Malaysia • Others (mainly include Singapore, Brunei and Australia) 																												
Revenue contributions	 <table border="1"> <caption>Revenue Contributions Data</caption> <thead> <tr> <th>Year</th> <th>Car fragrances</th> <th>Indoor fragrances</th> <th>Personal and household care products</th> <th>Accessories and others</th> </tr> </thead> <tbody> <tr> <td>FYE 2021</td> <td>59.8%</td> <td>34.2%</td> <td>5.9%</td> <td>0.1%</td> </tr> <tr> <td>FYE 2022</td> <td>55.1%</td> <td>30.1%</td> <td>14.7%</td> <td>0.1%</td> </tr> <tr> <td>FYE 2023</td> <td>79.7%</td> <td>17.6%</td> <td>2.6%</td> <td>0.1%</td> </tr> <tr> <td>FPE 2024</td> <td>77.6%</td> <td>21.3%</td> <td>1.0%</td> <td>0.1%</td> </tr> </tbody> </table>				Year	Car fragrances	Indoor fragrances	Personal and household care products	Accessories and others	FYE 2021	59.8%	34.2%	5.9%	0.1%	FYE 2022	55.1%	30.1%	14.7%	0.1%	FYE 2023	79.7%	17.6%	2.6%	0.1%	FPE 2024	77.6%	21.3%	1.0%	0.1%
Year	Car fragrances	Indoor fragrances	Personal and household care products	Accessories and others																									
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FPE 2024	77.6%	21.3%	1.0%	0.1%																									

6. INFORMATION ON OUR GROUP (cont'd)

Our air fragrance and fragrance-related products mainly comprise car and indoor fragrance products under our own brand, "Vanzo". We also market and sell fragrance-related products to complement our car and indoor fragrance products such as accessories and other products such as candle tool sets, rechargeable electric lighters and anti-slip car mats.

As at the LPD, we retail 12 car and indoor fragrance product series.

Our Group also markets and sells personal and household care products, namely face masks, hand sanitisers and laundry care products. Our Group's personal and household care products are sold under our own brand "Vanzo" and "Vanscent", and third-party brands, i.e. "CopperX". As at the LPD, our Group partners with a third-party product manufacturer, i.e. Bergamot Sdn Bhd, to market and sell "Vanscent" branded fragrance infused face masks.

Our Group conceptualises and designs our products, which includes the following:

- Determining the type of product and intended target market segment that will be launched for the product series. Examples of product types include jar fragrance products, car air-conditioner vent-clip fragrance products, reed diffusers and refills, ultrasonic diffusers and essential oils, scented candles and bathroom air fresheners;
- Determining suitable fragrance scents in terms of the overall scent type (such as floral, fruity, fresh, woody or musky scents) and level of intensity (strong, medium or mild intensity) based on the intended target market and market trends;
- Selecting suitable scents for each product series and co-formulating the scents; and
- Designing product and its packaging to appeal to the intended target market segment.

Our Group conceptualises the products according to the latest market trends as well as the feedback and preferences received from the customers. Our Group works closely with the outsourced manufacturers to formulate and develop the scents of the products. Based on our Group's specifications, the outsourced manufacturers will provide our Group with samples of the variations of formulations until the desired scent is achieved. The scent of our air fragrance products are mainly formulated using plant-based fragrance ingredients, and our products do not contain harmful chemical compounds such as benzene, formaldehyde and toluene. As at the LPD, our Group has launched 28 scents which are used in the car and indoor fragrance products as well as the personal and household care products, wherein our Group owns the formulation for 12 of these scents.

The revenue contribution based on scents co-formulated and owned by us and sourced from outsourced manufacturers for the Period Under Review is as follows:

Analysis of revenue by scent type

Scent type	Audited							
	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Co-formulated and owned by us	13,528	59.3	17,167	50.5	23,803	58.3	23,176	63.0
Owned by outsourced manufacturers	9,247	40.6	14,190	41.8	16,508	40.4	13,397	36.4
Others ⁽¹⁾	16	0.1	2,613	7.7	544	1.3	202	0.6
Total	22,791	100.0	33,970	100.0	40,855	100.0	36,775	100.0

6. INFORMATION ON OUR GROUP (cont'd)

Note:

- (1) Refer to accessories, ultrasonic device for the Negative Ion Aroma Diffuser series and third-party brand products.

Our Group's product development and QA/QC personnel, led by the Managing Director and Executive Director, will design the products including materials, shapes and colours of the product and its packaging, based on market trends and customer feedbacks.

Our Group's business operations are supported by the warehouse located in Bukit Jelutong, Shah Alam, Selangor, which enables our Group to enjoy the following:


- (i) A single warehousing and distribution point where our Group receives and stores all products procured from the outsourced manufacturers, as well as sorts and packages products for onward delivery to the customers and third-party warehouses. This allows for more efficient warehouse organisation and management in terms of inventory level monitoring and procurement planning; and
- (ii) A single pick-up point for third-party delivery providers to collect the deliveries to customers' premises and third-party warehouses, thereby enabling our Group to streamline parcel collection processes to minimise errors.

As at the LPD, our Group has engaged third-party warehousing service providers in Johor Bahru and Perai to stock our Group's inventory. This allows our Group to promptly deliver products to the customers based in the Southern region and Northern region of Peninsular Malaysia.



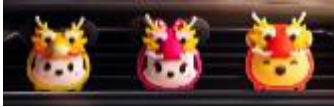



Our Group sells directly to distributors, resellers, retailers and consumers as well through distributors, resellers and retailers on a consignment basis. Our revenue from consignment sales represented 5.9%, 11.0%, 14.0% and 13.0% of our total revenue for Period Under Review. The number of our consignment customers represented 35.1%, 52.5%, 69.5% and 64.5% of our total distributors, resellers and retailers for Period Under Review.

6.5.2 Products






Our Group's key air fragrance, fragrance-related product and personal and household care are as detailed below:

Category	Types	Descriptions
Car fragrance products	<p>Jar fragrance products</p> 	<p>This product is a gel-based product that is typically used in cars. It can be placed in multiple locations within a car, such as dashboard or cup holders.</p> <p>The scent will be released in the car through the large opening at the top.</p> <p>Series:</p> <ul style="list-style-type: none"> Gentleman and Goddess series LX Dashboard Gel series


6. INFORMATION ON OUR GROUP (cont'd)

Category	Types	Descriptions
	<p>Car air conditioner vent-clip fragrance products</p>   	<p>This product either uses scented gel or scented tablets and is typically used in cars. It is specifically designed to be placed on the air conditioner vents in a car. As such, it is only available as a lightweight product with a small opening.</p> <p>The scent will be released in the car as air is distributed through the vents flows across the small opening.</p> <p>Series:</p> <ul style="list-style-type: none"> • Mini'ature series • Marvel Car Vent Perfume and Refill series⁽¹⁾ • Mini Vent Perfume series • Disney Tsum Tsum Car Vent Perfume series⁽²⁾
	<p>Other car fragrance products</p> 	<p>This product uses scented tablets and is typically placed on the car dashboard. The scent will be released in the car through the openings in the product.</p> <p>Series:</p> <ul style="list-style-type: none"> • Batmobile 1989 Car Fragrance series⁽³⁾
<p>Indoor fragrance products</p>	<p>Reed diffusers and refills</p>  	<p>This product is a liquid-based product that is typically used in indoor areas of homes or offices. Each reed diffuser comprises 3 main components:</p> <ul style="list-style-type: none"> • fragrance liquid; • reed sticks; and • bottle to contain the liquid. <p>The reed sticks will soak up the liquid and release the scent.</p> <p>Series:</p> <ul style="list-style-type: none"> • Duo series • Reed Diffuser

6. INFORMATION ON OUR GROUP (cont'd)

Category	Types	Descriptions
	<p>Ultrasonic diffusers and essential oils</p> 	<p>This product is a liquid-based product that is typically used in indoor areas of homes or offices. It is a rechargeable device and is equipped with night light function. Users will have to add a few drops of essential oils into water in the diffuser.</p> <p>The ultrasonic diffuser will use electronic frequencies to create a fine mist which releases the scent into the environment.</p> <p>Series:</p> <ul style="list-style-type: none"> Negative Ion Aroma Diffuser series
	<p>Scented candles</p> 	<p>This product is a wax-based product that is typically used in indoor areas of homes or offices. The burn time of a single candle is approximately 40 to 45 hours.</p> <p>The scent is infused in the candle wax and as the candle burns, scent is released into the environment.</p> <p>Series:</p> <ul style="list-style-type: none"> Natural Scented Candle series
	<p>Bathroom air fresheners</p> 	<p>This product is a gel-based product that is typically used in bathrooms. It can be placed on any surfaces.</p> <p>The scent will be released when the lid is lifted.</p> <p>Series:</p> <ul style="list-style-type: none"> 2-in-1 Bathroom Air Freshener series
<p>Personal and household care products</p>	<p>Face masks</p> 	<p>4-ply face masks approved by the Malaysia Medical Device Authority.⁽⁴⁾</p> <p>Brands:</p> <ul style="list-style-type: none"> Vanscent (fragrance infused) CopperX
	<p>Fragrance infused hand sanitiser</p> 	<p>Fragranced hand sanitiser spray to kill germs.</p> <p>Brands:</p> <ul style="list-style-type: none"> Vanzo

6. INFORMATION ON OUR GROUP (cont'd)

Category	Types	Descriptions
	Laundry care products 	Fragranced laundry detergent capsules and softeners. ⁽⁵⁾ Brands: <ul style="list-style-type: none"> • Vanzo

Notes:

- (1) Our Group has signed a licence agreement with The Walt Disney Company (Malaysia) Sdn Bhd where our Group is licensed to market and sell the Marvel Car Vent Perfume and Refill series between 1 March 2023 to 30 September 2025. As the said license agreement encompasses different intellectual properties ("**Marvel Characters**"), our Group is able launch, market and sell other Marvel Characters subject to The Walt Disney Company (Malaysia) Sdn Bhd's approval. This series has contributed revenue of RM12.06 million in FYE 2023 and RM4.36 million in FPE 2024, since its launch in May 2023.
- (2) Our Group has signed a licence agreement with The Walt Disney Company (Malaysia) Sdn Bhd where our Group is licensed to market and sell the Disney Tsum Tsum Car Vent Perfume series between 1 September 2023 to 31 March 2026. As the said license agreement encompasses different intellectual properties ("**Tsum Tsum Characters**"), our Group is able launch, market and sell other Tsum Tsum Characters subject to The Walt Disney Company (Malaysia) Sdn Bhd's approval. This series has contributed revenue of RM3.83 million in FPE 2024, since its launch in December 2023.
- (3) Our Group has signed a licence agreement with Warner Bros. Consumer Products Inc where our Group is licensed to market and sell the Batmobile 1989 Car Air Freshener series between 1 May 2024 to 31 December 2026. As the said license agreement encompasses different intellectual properties ("**Batman Characters**"), our Group is able launch, market and sell other Batman Characters subject to Warner Bros. Consumer Products Inc's approval. This series has yet to contribute any revenue for the Period Under Review as it was only launched in August 2024.
- (4) Our Group has signed a collaboration agreement with Bergamot Sdn Bhd to market and sell face masks under the "Vanscent" brand.
- (5) The laundry care products were launched in June 2024.

Apart from the above, we also design, market and sell accessories and other products (mainly promotional gifts) including candle tool sets, rechargeable electric lighters and anti-slip car mats.

If requested by our customers, we may also customise our car and indoor fragrances based on their requirements in terms of packaging design, product type and scent.

Our Group's outsourced manufacturers

We outsource all manufacturing works of our products to outsourced manufacturers as we are not involved in any manufacturing activities. Our outsourced manufacturers are responsible for the purchase of materials and manufacturing/ assembly of products in accordance to our specifications and requirements. The products sourced from our outsourced manufacturers are final products for onward sale to our customers.

6. INFORMATION ON OUR GROUP (cont'd)

The outsourced manufacturers engaged by our Group are evaluated and selected based on their track record, industry reputation, pricing, production capabilities, product quality and ability to deliver within the stipulated timeframe. We also carry out site visit before appointing a new outsourced manufacturer.

In order to reduce the risk of exposure of the formulation and design of our product, we presently mainly work with Foshan Ikeda to formulate our scents and manufacture most of our car and indoor fragrance products as at the LPD. Nevertheless, we also worked with Aromate Industries Co. Ltd to manufacture products under the Mini Vent Perfume series.

6.5.3 Business processes

6.5.3.1 Product development of new product series or type

We are involved in the product conceptualisation and design for new product series or type, are as detailed below:

Process	Description
Determining product type and target market segment	<p>For new product series, our product development and QA/QC personnel, led by our Managing Director and Executive Director, continuously identify and understand the market trends by studying the available products in the market including the product range, product and packaging design, choices of scents and marketing or promotional activities. We also seek feedback from our customers. Based on their understanding of market trends and customer feedback, our Managing Director and Executive Director will conceptualise several potential product types.</p> <p>We will also identify the intended target market which include identifying the gender and age of the intended target market segment, amongst others.</p> <p>Our Managing Director and Executive Director will then hold meetings with the rest of our product development and QA/QC personnel, wherein the team will work on enhancing and selecting the most suitable product type for the new product series.</p>
↓	
Determining a suitable scent type	<p>Then, we will determine scent types that are suitable for the target market segment. This includes determining if the scent would be a floral, fruity, fresh, woody or musky base. At this stage, we will also determine the level of intensity (strong, medium or mild intensity) as well as type of mood or emotion that we would like the scent to evoke.</p>
↓	
Selecting suitable base scent provided from outsourced manufacturer	<p>We will then request for the outsourced manufacturer to provide sample base scents based on the scent type we have selected. Our product development and QA/QC personnel will then shortlist the scents that are suitable for the intended target market and evoke the emotions or moods we have previously determined.</p> <p>For scents that we co-formulate, we will specify the adjustments required to the outsourced manufacturer so that the desired scent can be achieved.</p>

6. INFORMATION ON OUR GROUP (cont'd)

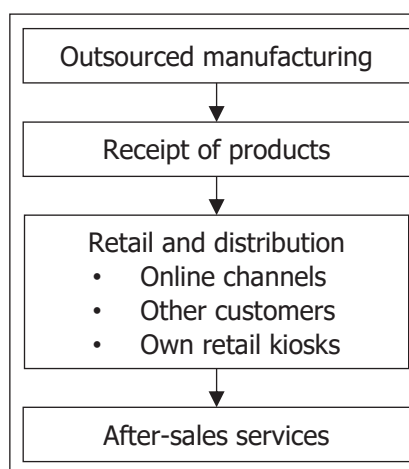
	For scents that are sourced from the outsourced manufacturer, we will not make any adjustments to the scent.
↓	
Adjustment of scent until desired scent is achieved	<p>With the adjustment specifications, the outsourced manufacturer will then make necessary adjustments to the formula for the scents we are co-formulating. We are then provided with samples of the variations of formulations until the desired scent is achieved.</p> <p>This process is not applicable for scents that are sourced from the outsourced manufacturer.</p>
↓	
Finalisation of scent formulation	<p>Our Executive Director will lead the product development and QA/QC personnel to determine and finalise the scent(s) for the new product launch.</p> <p>The final scent of our new products will be approved by our Managing Director before the outsourced manufacturer is informed to proceed with mass production.</p>
↓	
Design of product and its packaging	<p>Our product development and QA/QC team will design the product including materials, shapes and colours of the product and its packaging, or will provide the design specifications to third-party designers for the product. The product is generally designed to suit the intended target market and to meet its functional needs.</p> <p>Several 2-dimensional product designs are first presented to our Executive Director. Once the product design has been finalised, a 3-dimensional mock up design is then produced before a prototype is manufactured. For our "Marvel Car Vent Perfume and Refill" series and "Disney Tsum Tsum Car Vent Perfume" series, we will first share the designs with The Walt Disney Company (Malaysia) Sdn Bhd and will only finalise the design after approval is received from them.</p> <p>Once our Executive Director is satisfied with the product and packaging design, the specifications will be approved by our Managing Director before it is communicated to the outsourced manufacturer for mass production.</p>

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6. INFORMATION ON OUR GROUP (*cont'd*)

6.5.3.2 Operational process flow for existing products

We will undertake the following operational processes for our existing range of fragrance and fragrance-related products:



(i) Outsourced manufacturing

The manufacturing of products will be carried out by the outsourced manufacturers based on our specifications and requirements. We have agreements with the outsourced manufacturers, stipulating that they will not, during their engagement with us, use, divulge or appropriate any of our formulation or design to any person or business for any reason or purpose whatsoever, except upon obtaining our approval. We also own the formulation for 12 scents used in our car and indoor fragrance products as well as our personal and household care products.

The manufacturing process will usually take 2 to 3 months to manufacture the products upon placing the purchase order, depending on the order volume. The outsourced manufacturers will then deliver the products to our headquarters cum warehouse. Delivery typically takes approximately 2 weeks.

As at LPD, we have appointed 2 outsourced manufacturers located in China and Taiwan. We select our outsourced manufacturers based on the selection criteria elaborated in Section 6.5.3.3 of this Prospectus.

(ii) Receipt of products

Upon receipt of the products, our product development and QA/QC personnel will carry out visual inspections on the products to ensure that there are no physical damages on the products and that the products specifications and type of products are as per our purchase order. Our product development and QA/QC personnel will also conduct sample checks on every batch of delivery to ensure that the scents are as per the purchase order and will record the products' lifespan and fragrance longevity. Further information on the QA/QC activities is elaborated in Section 6.5.3.3 of this Prospectus.

(iii) Retail and distribution

The products that have been inspected will be stored at our warehouse. We typically allocate and store the number of products at our warehouse by product series. We utilise third-party software, AutoCount, to monitor the inventory levels at our warehouse.

6. INFORMATION ON OUR GROUP (*cont'd*)

The products will then be distributed and sold through various sales channels (i.e. distributors, resellers and retailers, own retail kiosks and online platforms). These products are either delivered from our warehouse to customers' premises or to our third-party warehouses. As at the LPD, we have engaged third-party warehousing service providers in Johor Bahru and Perai to stock our inventory, to serve customers in the Southern and Northern regions of Peninsular Malaysia.

For customers in the Eastern region of Peninsular Malaysia, our sales and marketing personnel will deliver the products once every month. Meanwhile, we use third-party freight forwarding companies to deliver our products to customers and our retail kiosks located in East Malaysia. We engage third-party delivery service providers to deliver our products from third-party warehouses to customers' premises. We also use third-party courier services to ship products to customers outside of Malaysia.

(iv) After-sales services

We do not provide customers with warranties for all of our products save for ultrasonic diffuser. For our ultrasonic diffuser, we provide customers with a warranty period of 1 month from the date the customer received the products for any technical issues arising from defects or malfunctions.

We do not provide technical services to repair any damaged products. As such, we will offer a direct 1-for-1 replacement for all our products on the damages or defects. Generally, our customers will replace within 1 month from the date the customer received the products.

We strive to maintain our brand reputation as well as product and service quality, through the provision of multiple avenues for our customers to reach out to us with complaints or feedbacks. These avenues include telephone call, social media messages and emails.

Any customer complaints will be assessed by our sales and marketing personnel before an investigation is launched together with the relevant departments involved to rectify the issues. During the Period Under Review, the percentage of products that have been replaced due to customer complaints were less than 0.5% of the total units of products sold.

For avoidance of doubt, there is no difference in after-sales service support provided to different customer types, be it distributors, resellers, retailers or consumers.

6.5.3.3 QA/QC activities

Our QA/QC activities are led by our Executive Director, Michael who is assisted by our product development and QA/QC personnel and operations personnel who carries out all the QA/QC activities. The following are the QA/QC procedures that we undertake:

(i) Selection of outsourced manufacturers

Prior to appointing an outsourced manufacturer, we assess the manufacturer in terms of the company's track record, industry reputation, pricing, production capabilities, product quality and ability to deliver within the stipulated timeframe as well as evaluate the samples developed by them. We will also carry out site visit before selection.

6. INFORMATION ON OUR GROUP (cont'd)

(ii) Inspection upon receipt of products from outsourced manufacturer

Upon receipt of the products at our warehouse, our operations personnel will carry out checks and inspections on products. This includes:

- visual inspections on the products to ensure that there are no physical damages on the products and the packaging; and
- visual checks to ensure that the product specifications and type of products are as per the purchase order.

In the event that there are any defects of the finished products, we will inform our outsourced manufacturers and request for replacement. As at the LPD, we have not experienced any material incidence of defects. Our outsourced manufacturers do not provide any warranties on all of the products they have manufactured but will replace the products within 1 year from date of purchase if they are damaged.

(iii) Quality assurance procedures on product samples for new product series or types and existing products

Our product development and QA/QC personnel performs the following tests on every batch of delivery of existing products or product samples:

- Product lifespan
For all car and indoor fragrances

Product lifespan refers to the amount of time the product can last. We check on the product lifespan by placing a product within a transparent enclosed box and monitoring the temperature and humidity levels within the box. The weight of the product is measured throughout the duration of the intended product lifespan to monitor its depletion rate, in order to ensure that the product can last throughout the intended product lifespan.

In the event the product lifespan of new product series or types does not last longer than the intended lifespan, we will inform our outsourced manufacturer so that the formulation for new product series or types will be re-worked until it meets the intended results.

Meanwhile, for existing product series or types, we take note of the product lifespan for record purposes for each batch, to ensure our outsourced manufacturer continuously provides us the products that can last throughout its intended product lifespan. In the event the product lifespan of existing product series or types does not last longer than the intended lifespan, we will provide feedback to our outsourced manufacturer to ensure that they review their manufacturing processes so that future batches meet the intended lifespan. Should the outsourced manufacturer continuously fail to deliver products that can meet the intended lifespan, we will review the suitability of the outsourced manufacturer.

Since commencement of our business till the LPD, we have not encountered incidences where our outsourced manufacturers have provided us with products that have not met the intended product lifespan.

6. INFORMATION ON OUR GROUP (cont'd)

- Fragrance longevity
For reed diffusers

Fragrance longevity refers to the amount of time the fragrance of the product can last. We test on fragrance longevity of our reed diffuser by placing samples of each product into 3 transparent tubes with a hole at varying heights to determine the intensity of the fragrance. Our product development and QA/QC personnel will perform a smell test every day throughout the product lifespan for each of the tubes, and note down if any scent can be detected.

In the event the fragrance of new reed diffuser product series or types cannot be detected for the intended duration, we will inform our outsourced manufacturer so that the formulation will be re-worked until it meets the intended results.

Meanwhile, for existing product series or types, we record our observations for each batch, to ensure our outsourced manufacturer continuously provides us the products that can last throughout its intended product lifespan. In the event the fragrance of the existing product series or types does not last longer than the intended duration, we will provide feedback to our outsourced manufacturer to ensure that they review their manufacturing processes to ensure that the future batches meet the intended results. Should the outsourced manufacturer continuously fail to deliver products that can meet the intended results, we will review the suitability of the outsourced manufacturer.

Since commencement of our business till the LPD, we have not encountered incidences where our outsourced manufacturers have provided us with reed diffusers that have not met the intended fragrance longevity.

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6. INFORMATION ON OUR GROUP (cont'd)

(iv) Independent third-party laboratory tests

Before launching of new products, the products will be sent to an independent certification body to test for harmful chemicals or properties. There are no regulatory requirements for us or our outsourced manufacturers to perform these tests on our products. These tests serve as an independent quality validation of our products, enabling us to strengthen our reputation as a quality air fragrance brand. As at the LPD, our products have been tested and certified with the following:

Test	Certification body	Products type
Acute inhalation toxicity test	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Jar fragrance products, car air conditioner vent-clip fragrance products, reed diffusers and refills, essential oils, bathroom air fresheners
	SIRIM Berhad	Reed diffusers and refills
Air disinfection effect test	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Bathroom air fresheners
	SIRIM Berhad	Reed diffusers and refills
Bacteriostatic activity test	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Jar fragrance products, reed diffusers and refills
Candle ingredient test	Shenzhen POCE Technology Co., Ltd	Scented candles
Material safety data sheet	Shenzhen POCE Technology Co., Ltd	Car air conditioner vent-clip fragrance products, scented candles, bathroom air fresheners
Negative ion concentration test	Guang Zhou Institute of Microbiology Co., Ltd	Ultrasonic diffusers
Restriction of hazardous substances test	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Essential oils
Test for alcohol	Bio Synergy Laboratories Sdn Bhd	Jar fragrance products
	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Essential oils
Test for formaldehyde, benzene and toluene	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Scented candles
	SIRIM Berhad	Jar fragrance products, reed diffusers and refills

6. INFORMATION ON OUR GROUP (cont'd)

Test	Certification body	Products type
Test for harmful chemical compound	Universiti Sains Malaysia	Essential oils
Test for heavy metal, formaldehyde, benzene and toluene	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Car air conditioner vent-clip fragrance products, reed diffusers and refills, bathroom air fresheners
Test for harmful chemical compound	SGS-CSTC Standards Technical Services Co., Ltd, Guangzhou Branch	Laundry care products

For clarification purposes, our hand sanitizers and face masks do not need to undergo testing by an independent certification body as these products are regulated under the Ministry of Health Malaysia. As at the LPD, the Ministry of Health Malaysia has been notified of the sale of our hand sanitizers in Malaysia and our face masks have been registered with the Ministry of Health Malaysia.

(v) Retail kiosks' control measures

At our retail kiosks, we strive to maintain a safe and secure environment for our sales personnel and customers. Our control procedures are led by our sales personnel, and are as described below:

(a) Cash management

With retail kiosks, some of our sales transactions are carried out via physical cash. As such, we try to minimise any fraud, mismanagement or mishandling of cash by implementing standard cash management procedures, which are outlined as follows:

- Our sales personnel must reconcile physical cash received with the daily sales transactions on a daily basis;
- Our sales personnel must ensure that physical cash and its equivalent are handled in a safe manner, i.e. stored in the cash register; and
- Our sales personnel must ensure that physical cash is deposited in the designated bank account on a daily basis.

In the event of theft, mismanagement or mishandling of cash, we will take appropriate actions such as conducting internal inquiries, taking disciplinary actions or reporting such incidences to the police.

(b) Security and pilferage prevention

We maintain security procedures to protect our retail kiosks from pilferage, shoplifting and theft. All our retail kiosks are installed with closed-circuit television (CCTV) and our sales personnel conduct internal stock audit to monitor instances of theft on a daily basis.

In the event of pilferage, shoplifting and theft, we will investigate, trace and resolve the incidents by conducting internal inquiries, taking disciplinary actions or reporting such incidences to the police.

Since we set up our first kiosk in 2022 until the LPD, we have not experienced any instances of theft, mismanagement or mishandling of cash, pilferage and shoplifting.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.4 Technologies used or to be used

Our Group do not utilise any machinery or equipment for our business operations.

6.5.5 Principal markets and location of operations

We principally operate in Malaysia where our head office is in Selangor. Our warehouses are located as follows:

Facility	City/town and State	Main operations	Approximate build-up area (sq ft/m ³)	Commence of rental
Bukit Jelutong headquarters cum warehouse	Shah Alam, Selangor	Headquarters warehouse	cum 40,878 sq ft	November 2023 ⁽¹⁾
Johor warehouse	Johor Bahru, Johor	Warehouse (via third-party warehousing service providers)	20.56 m ³ ⁽²⁾	December 2022
Penang warehouse	Perai, Penang	Warehouse (via third-party warehousing service providers)	12.71 m ³ ⁽²⁾	April 2024

Notes:

- (1) The tenancy agreement was signed in August 2023 and the tenancy commenced in November 2023. However, we only commenced our operation at the Bukit Jelutong headquarters cum warehouse in January 2024.
- (2) The area occupied at the third-party warehousing service providers are as at the LPD. For clarification purposes, the area size occupied varies from time-to-time depending on our requirements and the third-party warehouse service providers charge based on the area occupied every month.

By geographical location, Malaysia remains our Group's largest revenue contributor, contributing between 98.9% and 99.5% of our total revenue during the Period Under Review. The breakdown of our revenue by geographical location for the Period Under Review are as follows:

Countries	Audited							
	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	22,607	99.2	33,799	99.5	40,425	98.9	36,362	98.9
Overseas ⁽¹⁾	184	0.8	171	0.5	430	1.1	413	1.1
Total	22,791	100.0	33,970	100.0	40,855	100.0	36,775	100.0

Note:

- (1) Overseas include Singapore, Brunei and Australia.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.6 Significant products introduced

Other than our products as stated in Section 6.5.2 of the Prospectus, we have not introduced any other significant products as at the LPD.

6.5.7 Competitive strengths

(a) We are a leading homegrown air fragrance company in Malaysia with an established in-house brand

According to the IMR Report, we are the largest homegrown air fragrance company in Malaysia in 2023, where we garnered a market share of 13.3% in the air fragrance market in Malaysia in the year in terms of our product sales value.

Our own homegrown "Vanzo" brand has been established since our inception in 2018, and we have invested in various marketing activities over the years to build our brand reputation.

In the past, we have engaged several well-known brand ambassadors comprising celebrities and social media influencers to represent our brand, and sponsored various events such as awards ceremonies and concerts. We have also created awareness of our brand by investing in digital media marketing and boosting our posts on social media platform, and advertisements on digital advertising screens, billboards, television news channels and local newspapers, as well as participating in exhibitions and events.

In order to further enhance our brand presence, we have signed licence agreements with The Walt Disney Company (Malaysia) Sdn Bhd to market and sell our "Marvel Car Vent Perfume and Refill" series and "Disney Tsum Tsum Car Vent Perfume" series. We have also signed a licence agreement Warner Bros. Consumer Products Inc to market and sell our "Batmobile 1989 Car Fragrance" series. We believe that the launching of these series will not only enable us to tap onto the existing fanbase of intellectual properties of The Walt Disney Company (Malaysia) Sdn Bhd's and Warner Bros. Consumer Products Inc, but also enable us to build our brand recognition as we associate our brand with these well-known intellectual properties.

Further, as our brand name is fully owned by our Group, we can introduce or remove our product series as well as change our marketing and branding strategies to respond to market demands and customer preferences in a timely manner.

(b) We have various sales channels to reach a wide customer base

Our air fragrance and fragrance-related products are sold to various customer segments and through various sales channels to reach out to consumers. Furthermore, we have expanded our geographical footprint beyond Malaysia to Brunei, Singapore and Australia.

We sell our products through distributors/resellers such as car accessories distributors and FMCG distributors; and retailers such as health and beauty product retailers and pharmacies, supermarkets, hypermarkets, convenience stores, car wash shops, car detailing shops, car accessories retailers, and electronics and mobile gadget retailers.

We set out below the number of our distributors, resellers and retailers for the Period Under Review:

	FYE 2021	FYE 2022	FYE 2023	FPE 2024
Distributors and resellers ⁽¹⁾	1,237	839	563	303
Retailers ⁽¹⁾	682	992	1,458	1,961

6. INFORMATION ON OUR GROUP *(cont'd)*

Note:

(1) Computed based on the number of legal entities invoiced by our Group.

Some of these distributors, resellers and retailers have their own retail storefronts, thus allowing them to reach out to a large network of consumers. We are therefore able to leverage on their existing presence and customer base without having to incur capital expenditure to set up physical locations.

Meanwhile, we also market and retail our products via multiple online channels such as social media platforms (such as Facebook and Instagram), e-commerce marketplaces (such as Shopee and Lazada) and our own online marketplace. Marketing and retailing via online channels allow us to minimise our operational costs as we need not incur cost on setting up and maintaining physical retail outlets.

As at the LPD, we also have 6 retail kiosks located in Mid Valley Megamall, 1 Utama shopping mall, Sunway Pyramid, Pavilion Kuala Lumpur, IOI City Mall, Putrajaya and Vivacity Megamall, Kuching, Sarawak. These 6 retail kiosks enable our consumers to try our products. As each scent may appeal to different people, potential consumers typically prefer to try the scent of our products to select the scent or product that is appealing to them. Our sales personnel are also on-hand to assist consumers with their requests.

As we have various sales channels, we are able to reach a wide base of consumers. We are also able to appeal to different customers' preferences as some customers may prefer to shop online for the convenience, others may prefer to physically view the product.

Our Group's wide customer base also enables us to continue securing new orders as well as cross-selling other types of air fragrance and fragrance-related products. In addition, as our Group's products are sold through different sales channels, this reduces our dependence on any one sales channel and our Group can better withstand fluctuations in demand conditions and customer preferences.

(c) Our own and third-party warehouses allow us to promptly deliver our products and have more efficient warehouse organisation and management

As we have various sales channels, we need to maintain the ability to keep track of our inventory adequately and efficiently. As there is limited shelf or storage space at our distributors' or retailers' outlets and our retail kiosks, it is vital that we are able to maintain sufficient inventory to replenish stock at our customer's premises or our own retail kiosks in order to meet demand of consumers, especially popular products. We will need to be able to sort and pack our customers' orders with minimal mistakes, to reduce product returns which may incur unnecessary additional costs. We typically replenish inventory at our customers' premises and our own retail kiosks on a weekly or monthly basis, though at times, we may be required to replenish stocks sooner than the usual.

We have our own warehouse which allows us to better manage our inventories. We are able to operate on a first-in-first-out basis to ensure that newer stocks are kept. This enables us to plan and place order in advance when a certain product stock is running low, as our manufacturer requires 2 to 3 months of lead time.

In addition, we have engaged third-party warehousing service providers in Johor Bahru and Perai to stock our inventory, as at the LPD. This allows us to promptly deliver products to our customers based in the Southern region and Northern region of Peninsular Malaysia.

6. INFORMATION ON OUR GROUP (cont'd)

(d) We provide a range of air fragrance and fragrance-related products to cater to different customer needs

Since our incorporation, we have expanded our product range from car fragrance products to include indoor fragrance products, as well as personal and household care products.

Our car fragrance products are available in the form of jar fragrance or car air-conditioner vent-clip fragrance products, and in varying sizes and designs. This allows customers to choose their products based on their preferences. Meanwhile, we also offer indoor fragrance products in various forms, i.e. reed diffusers, ultrasonic diffusers and essential oils, scented candles and bathroom air fresheners. This also provides customers with various options based on their preferences.

As we offer both car and indoor fragrance products, we are also able to offer products that they can not only use in their cars, but also in their homes. We also have a variety of scents for customers to choose from, depending on their preferences.

Meanwhile, our personal and household care products were spurred by the demand during the COVID-19 for products including fragrance infused face masks and hand sanitisers. We saw the opportunity to venture into the sales of fragrance infused hand sanitisers, which would appeal to the existing consumers. We later expanded our product range to include laundry care products, i.e. fragranced laundry detergent capsules and softeners, in 2024. We were able to attract the existing consumers, especially returning consumers who are already familiar with our brand, to purchase our fragrance infused hand sanitisers for on-the-go uses and laundry care products for their household.

(e) We are cognisant of the need for our air fragrance and fragrance-related products to not contain harmful chemical compounds

We are cognisant that our air fragrance and fragrance-related products should not contain any harmful chemical compounds such as benzene, formaldehyde and toluene, as they may be harmful to an individual's health. Such harmful chemical compounds can affect a person's central nervous system resulting in fatigue, dizziness, headaches and nausea, and/or cause respiratory distress, amongst others.

Thus, we ensure that our car and indoor fragrance products do not contain harmful chemical compounds. As at the LPD, our car and indoor fragrance products have been tested and/or certified by Universiti Sains Malaysia, SIRIM Bhd, SGS-CSTC Standards Technical Services Co., Ltd, Bio Synergy Laboratories Sdn Bhd and Shenzhen POCE Technology Co. Ltd, validating that our products do not contain any harmful chemical compounds and/or pose any risks of inhalation toxicity. Further information on these certifications are elaborated in Section 6.5.3.3(iv) of this Prospectus.

As plant-based fragrance ingredients are mainly used in the manufacturing of the scents for most of our air fragrance products, the aroma of the scents used in most of our air fragrance products are natural.

We believe that this enables us to offer consumers products that are not harmful to their health. This sets us apart from other air fragrance companies who may not ensure their products are free from harmful chemical compounds.

(f) We have a committed management team

We have a committed management team. Our Managing Director, Allan is responsible for the overall strategic direction and operational activities of our Group. Meanwhile, our Executive Director, Michael is responsible for the product development, QA/QC as well as supporting our sales and marketing team in the planning and implementation of sales strategies.

6. INFORMATION ON OUR GROUP (cont'd)

Our Managing Director and Executive Director are supported by our management team which have accumulated knowledge and experience in their respective field, namely our Chief Financial Officer, Poo Shea Choon bring with him over 20 years of experience in financial management and accounting-related activities; our Head of Operation, Gan Shy Yin who brings with her 8 years of experience in supply chain, purchasing and administrative activities; and our Key Accounts Manager, Wong Sook Fun who possess over 30 years of experience in sales and marketing activities.

Our management team's combined skills, extensive knowledge of our Group's products and continued focus on realising growth strategies are vital to our Group's continued growth and future development. The combination of our key management team's experience and expertise have been integral to our success, and will continue to be a key factor in our future development.

6.5.8 Seasonality or cyclical effects

Our business is not subject to seasonal demand. However, we experienced an increase in sales during launch of new products. Depending on the market reception of the new products, our sales could increase by more than 100% in that particular month where the new products are launched as compared with our sales the preceding month.

6.5.9 Types, sources and availability of supplies

The breakdown of the purchases by our Group during the Period Under Review is as follows:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Products	15,118	97.3	18,321	96.9	22,131	97.4	16,440	97.1
Freight and insurance charges	352	2.3	492	2.6	495	2.2	355	2.1
Packaging costs	69	0.4	90	0.5	90	0.4	130	0.8
Total purchases	15,539	100.0	18,903	100.0	22,716	100.0	16,925	100.0

The breakdown of our purchases by geographical region during the Period Under Review is as follows:

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Overseas								
- China	14,437	92.9	15,948	84.4	21,590	95.0	15,703	92.8
- Taiwan	-	-	62	0.3	608	2.7	998	5.9
Malaysia	1,102	7.1	2,893	15.3	518	2.3	224	1.3
Total purchases	15,539	100.0	18,903	100.0	22,716	100.0	16,925	100.0

We have not experienced any interruptions in supply of raw materials in the Period Under Review, save for the COVID-19. In order to ensure a stable supply, we endeavour to maintain stocks of our products for up to 2 to 3 months.

6. INFORMATION ON OUR GROUP (cont'd)

6.5.10 Sales and marketing

(a) Sales channels and customer segments

We mainly use the following sales channels to market and sell our products:

Sales channels	Customer segments	
Direct approach	Distributors and resellers	Retailers
Online channels	Consumers	
Own retail kiosks		

The revenue contribution by sales channels for the Period Under Review is as follows:

Sales channel	Audited							
	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distributors and resellers	19,052	83.6	25,325	74.6	20,540	50.3	13,727	37.3
Retailers	1,390	6.1	5,382	15.8	17,248	42.2	20,826	56.6
Online channels	2,349	10.3	3,188	9.4	1,729	4.2	772	2.1
Own retail kiosks	-	-	75	0.2	1,338	3.3	1,450	4.0
Total	22,791	100.0	33,970	100.0	40,855	100.0	36,775	100.0

We sell our products through the following sales channels:

(i) Directly approaching distributors, resellers and retailers

We sell our products to distributors and resellers (such as car accessories distributors and FMCG distributors) and retailers (such as health and beauty product retailers and pharmacies, supermarkets, hypermarkets, convenience stores, car wash shops, car detailing shops, car accessories retailers, and electronics and mobile gadgets retailers) located in Malaysia, Brunei, Singapore and Australia. These distributors, resellers and retailers may have a retail storefront where they will sell our products to consumers. The products are either sold directly to them or on a consignment basis. Some retailers may also charge listing fees for displaying and promotion of our products at their retail storefront(s). We do not fix the retail price of our products. However, we provide recommended retail reference price to the distributors, resellers and retailers.

Using a wide network of distributors, resellers and retailers enables us to utilise their network to expand our market coverage as well as to reach out to a wide customer base to achieve economies of scale and grow our market share. We actively source new distributors, resellers and retailers where we assess their suitability based on their respective customer base, product range, market outreach, geographical coverage and level of commitment to promote our products.

6. INFORMATION ON OUR GROUP (cont'd)

(ii) Online channels

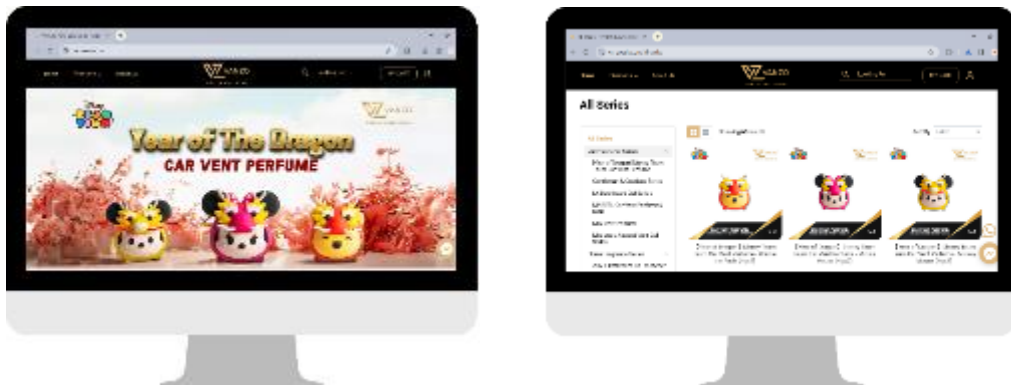
Online channels mainly target consumers, who are direct end-users of our products.

We create and maintain an online marketplace at <https://vanzoasia.com/> which allows consumers to purchase our products. It also provides immediate searchable information on our Group and details of our products.

Our online marketplace also serves as a platform for customers to connect with our sales and marketing team for enquiries on our products and to lodge complaints. This enables us to have access to first-hand consumer data based on prevailing market trends, which are essential for us to adapt our overall marketing strategies and product development to keep abreast with changing consumer trends.

The current widespread use of internet as a source of information enables us to cross geographical borders and facilitate access from any part of Malaysia as well as internationally, thus enhancing our potential market reach and exposures beyond the locations of our physical stores.

Below are illustrations of online marketplace:



We also sell our products through e-commerce marketplaces such as Lazada and Shopee, as well as through social media platforms, i.e. Facebook and Instagram.

Through these online channels, we are able to serve customers across East and Peninsular Malaysia.

(iii) Own retail kiosks

Our own retail kiosks serve as a sales channel for us to market and sell our products to consumers.

As at the LPD, we have 6 retail kiosks located in the following shopping malls:

- (i) Mid Valley Megamall
- (ii) 1 Utama Shopping Centre
- (iii) Sunway Pyramid Mall
- (iv) Pavilion Kuala Lumpur
- (v) IOI City Mall, Putrajaya
- (vi) Vivacity Megamall, Kuching, Sarawak

As each scent may appeal to different people, our retail kiosks enable potential consumers to try the scent of our products to select the scent or product that is appealing to them.

6. INFORMATION ON OUR GROUP (cont'd)

Our retail kiosks are as illustrated in the pictures below:



(b) Marketing strategies and activities

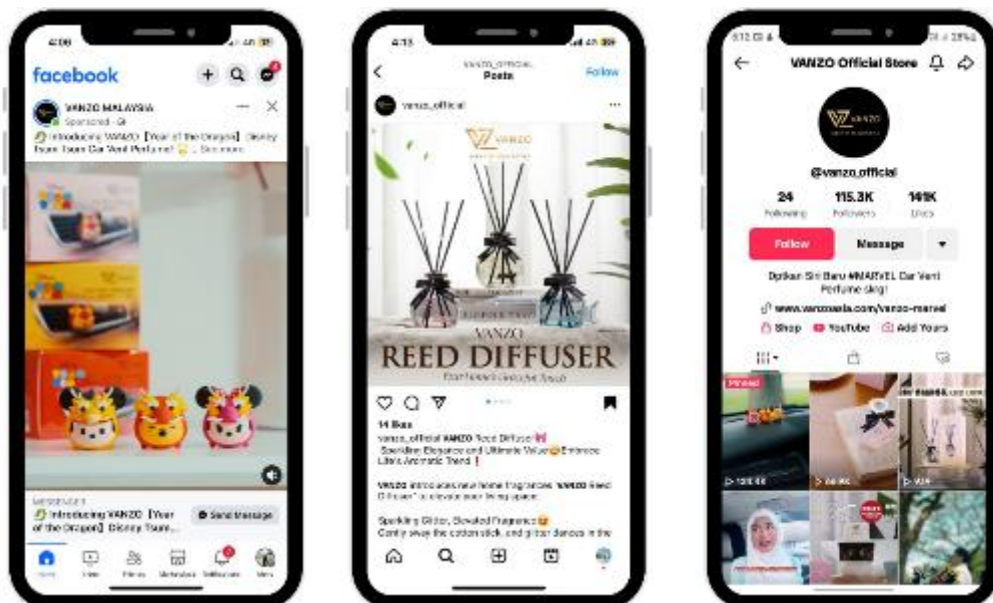
Our marketing strategies and activities are focused on building our customer base to sustain and grow our business. Our Group has initiated the following marketing strategies to sustain and expand our business:

(i) Online media advertising

We recognise the importance of investing in online media marketing on social media platform to increase our brand exposure. Hence, we maintain a profile on social media platforms such as Facebook, Instagram, TikTok, YouTube, Xiaohongshu (小红书) and Lemon8 where we post online contents to attract prospective customers and interact with our existing customers.

We engage digital marketing service provider to carry out boosted posts on Facebook, Instagram, TikTok, Lemon8 and Xiaohongshu (小红书) as well as Shopee and Lazada where we are able to display specific product advertisements and promotions which are targeted to specific users. These advertisements are linked to our online stores for viewers to make their purchases.

Below are illustrations of our advertisements and posts on social media platforms:



6. INFORMATION ON OUR GROUP (cont'd)

(ii) Brand ambassadors and influencers

We engage brand ambassadors, comprising celebrities and social media influencers. These brand ambassadors will participate in advertisements or post contents on their personal social media platforms with our products to attract prospective customers.

During the Period Under Review, we have engaged 4 celebrities or artists as our brand ambassadors.



(iii) Mass media advertising

To improve the awareness of our brand and products, we advertise our products on digital advertising screens in government departments such as the Immigration Department, Post Office, Road Transport Department and offices of The Companies Commission of Malaysia. In addition, we also advertise our brand and products on local television news channels (such as 8TV Mandarin News and Astro Awani) and local newspapers (such as Sin Chew Daily, China Press, The Edge Malaysia, Kwong Wah Yit Poh and Bernama). These media channels enable us to reach out to a larger customer base and will assist us with building our brand presence in the market.

6. INFORMATION ON OUR GROUP (cont'd)



In addition, we also utilise billboard advertisements across Klang Valley. We advertise our products on billboards in key areas with heavy traffic flow to ensure that our advertising is effective to create brand awareness to introduce our products to the vicinity. During the Period Under Review, we have advertised our products on 20 billboards.



6. INFORMATION ON OUR GROUP (cont'd)

(iv) Sponsorship

We have sponsored several events for the Period Under Review. As we are able to display our brand logo on posters and advertisements for the event, we are able to create brand awareness for our products. Examples of our sponsorships include the following:

- (a) concerts such as Eason Chan "Fear and Dreams" World Tour in Malaysia 2023, Li Rong Hao "Free Soul" World Tour in Malaysia 2024, Leo Ku "I Really Love to Sing Around the World" Live in Malaysia 2024, Jay Chou "Carnival 2024" World Tour Concert in Malaysia and 911 "Celebrating 30 Years" Live in Malaysia 2024;
- (b) movies such as "All In";
- (c) sports events such as PETRONAS Malaysia Open 2022; and
- (d) automotive-related events such as Carlist.my People's Choice Awards 2020, European Mobile Media Association ("EMMA") Malaysia 2022, Auto Fiesta 2023 and CARSOME Autofair 2024.



6. INFORMATION ON OUR GROUP (cont'd)

(v) Participation in exhibition and events

As a method to increase our brand visibility and to reach out to potential customers, we have participated in numerous exhibitions and events over the years. Some examples of exhibitions that we participated for the Period Under Review are as follows:

Year	Name of exhibition / events	Organiser	Location
2021	Carlist.my DRIVE Auto Fair 2021	iCar Asia Sdn Bhd	Selangor, Malaysia
2022	Malaysia's Largest Motor Show	Velocity Motor Show	Kuala Lumpur, Malaysia
2022	Carlist.my Drive Merdeka Roadshow Edition 2022	iCar Asia Sdn Bhd	Kuala Lumpur, Malaysia
2022	EMMA Malaysia Heat 1 Competition 2022	EMMA	Pahang, Malaysia
2022	All About Wheels 2022	Velocity Motor Show	Selangor, Malaysia
2022	EMMA Malaysia Heat 2 Competition 2022	EMMA	Kuala Lumpur, Malaysia
2023	EMMA Malaysia Final Competition 2022	EMMA	Kuala Lumpur, Malaysia
2023	D'Kroni Perhimpunan Dua Roda 2023	Vero Capital Sdn Bhd	Selangor, Malaysia
2024	SpeedFest 2024	iCar Asia Sdn Bhd, Midnight-KF, Wapcar Autofun Sdn Bhd, Oppolock Sdn Bhd, Aylezo Sdn Bhd, MUSC Motorsports, SF Wheels Showcase, Vertex Esports Productions Sdn Bhd, Malaysia Diecast Expo	Kuala Lumpur, Malaysia



6. INFORMATION ON OUR GROUP (cont'd)



(vi) Collaboration

We have collaborated with several brands to improve our brand visibility. For example, in 2021, we have collaborated with Black Whale to launch an air fragrance product with limited-edition milk tea scent. In 2022, we collaborated with Vivo to introduce a limited-edition fragrance gift box alongside the launch of their new phone series. These collaborations allowed us to expand our reach to customers.



(vii) In-store promotional activities

We carry out in-store promotions in our retail kiosks regularly, particularly during festive seasons. We may also collaborate with our retailers to undertake promotion such as rebates and purchase with purchase.

(viii) Membership program

We offer membership program as a method to increase customer retention. As at the LPD, the customers who sign up for membership are entitled to enjoy a discount on their first purchase during their birth month. As at the LPD, we have approximately 19,379 members under our membership program.

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6. INFORMATION ON OUR GROUP (cont'd)

6.5.11 Major approvals and licences

As at the LPD, save as disclosed below, there are no other major approvals, licences and permits issued to our Group in order to carry out our operations:

No.	Company	Description	Authority	License no. / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	Vanzo Asia	Business premise license for No. 12, Jalan Tiang U8/92, Bukit Jelutong, Seksyen U8, 40150 Shah Alam	Shah Alam City Council	LOU8110520240001	28 February 2024 / 14 February 2025 ⁽¹⁾	Nil.	-
2.	Vanzo Asia	Fire certificate for premises located at No. 12, Jalan Tiang U8/92, Bukit Jelutong, Seksyen U8, 40150 Shah Alam	Fire and Rescue Department of Malaysia	JBPM:SL – 7/1443/2024	8 April 2024 / 1 April 2025 ⁽¹⁾	Nil.	-

Note:


(1) Our Group intends to submit the respective renewal applications at least 2 months prior to the respective dates of expiry.

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6. INFORMATION ON OUR GROUP (cont'd)



6.5.12 Intellectual Property Rights

As at the LPD, save as disclosed below, our Group has not registered any brand names, patents, trademarks or other intellectual property rights:



No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
1.	Vanzo Asia	Trademark		TM2019037609	MyIPO	11 October 2019 to 11 October 2029 / 10 years

Registered under Class 16 in respect of advertising posters; advertising publications; photographs; paper cards (blank) for recording data; envelopes; business cards; paper bags; packaging materials made of cardboard; paper boxes; printed forms; booklets; books; leaflets; letterhead paper; paper for letterhead paper; writing paper; note pads; pamphlets; leaflets; stickers; paper tags; user manuals (in the form of printed matter); plastic material for packaging (not included in other classes); company magazines, catalogues, newsletters, periodicals; brochures; gift stationery, all included in class 16.


6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
2.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of car perfume included in Class 3.</p>	2018004028	MyIPO	9 April 2018 to 9 April 2028 / 10 years
3.	Vanzo Asia	Trademark	 <p>Registered under Class 35 in respect of advertising by mail order; online advertisement on a computer network; presentation of goods on communication media; business management; business administration; franchise & retail services; import & export services; business merchandising display services; business advisory services; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods from a general merchandise retails & web site in the global communications network; all included in Class 35.</p>	TM2019037610	MyIPO	11 October 2019 to 11 October 2029 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
4.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of air fragrancing preparations; perfumery for car use; air perfuming preparations; all included in Class 3.</p>	TM2019037583	MyIPO	11 October 2019 to 11 October 2029 / 10 years
5.	Vanzo Asia	Trademark	 <p>Registered under Class 16 in respect of advertising posters; advertising publications; photographs; paper cards (blank) for recording data; envelopes; business cards; paper bags; packaging materials made of cardboard; paper boxes; printed forms; booklets; books; leaflets; letterhead paper; paper for letterhead paper; writing paper; note pads; pamphlets; leaflets; stickers; paper tags; user manuals (in the form of printed matter); plastic materials for packaging (not included in other classes); company magazines, catalogues, newsletters, periodicals; brochures; gift stationery, all included in class 16.</p>	TM2019037616	MyIPO	11 October 2019 to 11 October 2029 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
6.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of air fragrancing preparations; perfumery for car use; air perfuming preparations; all included in Class 3.</p>	TM2019037613	MyIPO	11 October 2019 to 11 October 2029 / 10 years
7.	Vanzo Asia	Trademark	 <p>Registered under Class 35 in respect of advertising by mail order; online advertisement on a computer network; presentation of goods on communication media; business management; business administration; franchise & retail services; import & export services; business merchandising display services; business advisory services; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods from a general merchandise retails & web site in the global communications network; all included in Class 35.</p>	TM2019037617	MyIPO	11 October 2019 to 11 October 2029 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
8.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fresheners (fragrances); air fragrancing preparations; essential oils for use in air fresheners; car polish; car shampoos; beauty care cosmetics; perfumery; perfumery, essential oils; aromatics for perfumes; aromatic perfumery products; room fragrancing products; incense; scented preparations; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	1510855	(¹) Brunei Intellectual Property Office	22 November 2019 to 22 November 2029 / 10 years
9.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fresheners (fragrances); air fragrancing preparations; essential oils for use in air fresheners; car polish; car shampoos; beauty care cosmetics; perfumery; perfumery, essential oils; aromatics for perfumes; aromatic perfumery products; room fragrancing products; incense; scented preparations; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	KH/83613/21	(¹) Department of Intellectual Property of the Kingdom of Cambodia	28 October 2020 to 28 October 2030 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
10.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of fragrances; air fragancing preparations; aromatic essential oils; perfumed essential oils, car polishes, car shampoos, beauty care cosmetics; perfumery; essential oils; aromatics for fragrances; aromatic perfumery products; room fragrances; room fragancing preparations; incense; scents; scented substances and preparations for personal use; oils for perfumes and scents; potpourris (fragrance); cleaning preparations; car cleaning preparations.</p>	305411394	(1) Trade Marks Registry Intellectual Property Department (The Government of Hong Kong)	6 October 2020 to 6 October 2030 / 10 years
11.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air aromatic fragrance (for air freshening); fragrances for perfuming; essential oils for use in air fresheners; preparations for automobiles polish; car shampoo; beauty care cosmetics; perfumery products; perfumery, essential oils; fragrances for perfumes; perfumery products (aromas); fragrances for perfuming; incense; scented products; oils for perfumery; aromatic potpourris; cleaning preparations; cleaning products for automobiles.</p>	N/174782 (099)	(1) Government of the Special Administrative Region of Macau (Directorate of Economic Services)	3 October 2021 to 3 October 2028 / 7 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
12.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of fragrances; air fragrancing preparations; essential oils for household use; car polish; beauty care preparations; perfumery; aromatics (essential oils); aromatic oils; room fragrancing preparations; incense; scented oils used to produce aromas when heated; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; cleaning preparations for automobiles.</p>	4/2020/00515160	⁽¹⁾ Intellectual Property Office of the Philippines	19 February 2021 to 19 February 2031 / 10 years
13.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fresheners (fragrances); air fragrancing preparations; essential oils for use in air fresheners; car polish; car shampoos; beauty care cosmetics; perfumery; perfumery, essential oils; aromatics for perfumes; aromatic perfumery products; room fragrancing products; incense; scented preparations; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	40201924540V	⁽¹⁾ Intellectual Property Office of Singapore	8 November 2019 to 8 November 2029 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
14.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fragrancing preparations; car air fresheners; telephone freshener; auto glass cleanser; car cleaning preparations; rain repellent for car and motorcycle; perfumes; cosmetics and make-up; ethereal oils; shower creams; shampoos; polishing wax; washing-up liquids; household detergents; breath freshening sprays; sandalwood incense; sandpaper; rust removing preparations; deodorants for pets; toilet soap.</p>	02064540	(¹)Taiwan Intellectual Property Office	16 June 2020 to 15 June 2030 / 10 years
15.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fresheners (fragrances); air fragrancing preparations; essential oils for use in air fresheners; car polish; car shampoos; beauty care cosmetics; perfumery; perfumery; essential oils; aromatics for perfumes; aromatic perfumery; room fragrancing preparations; incense; scented water; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	437006	(¹)Intellectual Property Office of Vietnam	24 June 2020 to 24 June 2030 / 10 years



6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
16.	Vanzo Asia	Trademark	<p>VANZO</p> <p>Registered under Class 3 in respect of air fresheners (fragrances); air fragrancing preparations; essential oils for use in air fresheners; car polish; car shampoos; beauty care cosmetics; perfumery; room essential oils; aromatics for perfumes; aromatic perfumery products; room fragrancing products; incense; fragrance preparations; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	IDM001057238	(¹) Directorate General of Intellectual Property Rights of Indonesia ("DGIP")	22 November 2019 to 22 November 2029 / 10 years
17.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of air fresheners preparations; cleaning preparations; essential oils for use in aromatherapy; car polish; beauty care cosmetics; perfumery; room essential oils; aromatics for perfumes; aromatic products; room fragrancing products; incense; scented lotions and cream for body; oils for perfumes and scents; potpourris (fragrances); room freshener preparations.</p>	IDM000915080	(¹) DGIP	2 October 2020 to 2 October 2030 / 10 years


6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
18.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of air fragrance reed diffusers; air fresheners (air fragrancing preparations); air fragrancing preparations; car polish; car shampoos; beauty care preparations; cosmetics; perfumery; essential oils for use in air refreshers; aromatics (essential oils); essential oils; essential oils for the production of perfumes; aromatics for perfumes; aromatic perfumery products; room fragrancing products; incense; scents; scented deodorant preparations for personal use; oils for perfumes and scents; potpourris (fragrances); cleaning preparations; car cleaning preparations.</p>	2255634	(1)IP Australia	11 March 2022 to 11 March 2032 / 10 years
19.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of car, bicycle polishing wax; abrasive and air freshener.</p>	32322364	(1)China National Intellectual Property Administration ("CNIPA")	21 October 2019 to 20 October 2029 / 10 years

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
20.	Vanzo Asia	Trademark	 <p>Registered under Class 3 in respect of air fragrance reed diffusers; air fresheners (air fragancing preparations); air fragancing preparations; car polishing cream; car wash liquid; car perfume; room fragancing products; incense; dried flowers scented; car cleaning preparations; perfume concentrate; fragrance sprays; Air fresheners (fragrant preparations); Air fresheners (air fragancing preparations); oils for perfumes and scents; ethereal oils; air fragrance reed diffusers; eau de toilette; air fragancing preparations.</p>	200128363	⁽¹⁾ Department of Intellectual Property Thailand	29 July 2020 to 28 July 2030 / 10 years
21.	Vanzo Asia	Trademark	 <p>Class 3 in respect of laundry capsule with detergent, fabric softener for laundry, cleaning agent, toilet cleaner, toilet bowl cleaner, freshener, scented reed diffusers, cosmetics, breath freshener, aromatic incense and air freshener.</p>	78280149	⁽¹⁾ CNIPA	⁽²⁾ Pending registration

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner	Type of intellectual property rights	Description	Application / Registration no.	Issuing authority	Validity period
22.	Vanzo Asia	Trademark	 <p>Class 3 in respect of laundry capsule with detergent; fabric softeners for laundry; cleaning agent; toilet cleaner; toilet bowl cleaner; incense preparations (perfumes); cosmetics; breath freshener and aromatic incense.</p>	79105273	⁽¹⁾ CNIPA	⁽³⁾ Pending registration
23.	Vanzo Asia	Patent	Fragrance container	2024302359901	CNIPA	⁽⁴⁾ Pending registration
24.	Vanzo Asia	Patent	Packaging container	2024302359899	CNIPA	⁽⁴⁾ Pending registration
25.	Vanzo Asia	Patent	Bottle (body)	2024302359884	CNIPA	⁽⁴⁾ Pending registration

Notes:

(2) The registration of our trademarks in these countries allows us to:

- (a) create a barrier of entry in countries where we have registered our trademarks as third parties will not be able to leverage on our brand presence; and
- (b) venture into such countries in the future should any commercial/business opportunity arises.

6. INFORMATION ON OUR GROUP (cont'd)

- (3) The application was submitted on 26 April 2024 for our laundry care products. The outcome of our application is expected to be known approximately 12 months from the date of our submission.
- (4) The application was submitted on 7 June 2024 for our laundry care products. The outcome of our application is expected to be known approximately 12 months from the date of our submission.
- (5) The application was submitted on 24 April 2024 for our laundry care products. The outcome of our application is expected to be known approximately 12 months from the date of our submission. As our supplier is based in China, the registration of the patents will prevent our supplier, other manufacturers and/or other industry players in the said region from copying our designs. As the intellectual properties are territorial in nature, our registrations are only applicable in the countries or regions in which they have been filed and granted, in accordance with the local laws.

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6. INFORMATION ON OUR GROUP (*cont'd*)

6.5.13 Dependency on contracts, intellectual property rights, licences or processes

Our Group is dependent on the Right of Use of Formula and OEM Production Agreement dated 29 June 2021 entered into with Foshan Ikeda, the salient terms of which are as follows:

Matter	Salient Terms
Contracting parties	Foshan Ikeda (" Party A ") and Vanzo Asia (" Party B ")
Description	<p>"Formula" shall mean the list of ingredient compositions utilised in the production of the air refresher and/or such other aroma/scented related products of Party B.</p> <ol style="list-style-type: none"> The Formula belongs solely and exclusively to Party B. The Formula can only be utilised by Party A in the production of products for sale to Party B, unless otherwise agreed by Party B. All Formula related information including but not limited to composition and production is prohibited from being disclosed to third parties. Party A is responsible for the quality of Party B's products and shall ensure they are of merchantable quality such as of good quality and fit for sale in the usual course of trade. Party B, through its representative(s), shall have the liberty to monitor and inspect the manufacturing process of its products.
Breach	<ol style="list-style-type: none"> If anyone violates or breaches the terms and conditions set out in this agreement, Party B can initiate legal action to sue and restrict the other party. The defaulting party shall bear all losses and legal responsibilities.
Order and payment terms	Orders are made through purchase orders and paid in cash terms.
Warranty	Nil. However, Party A offers exchange for faulty or damaged products.
Delivery terms	Nil.
Tenure	Until termination by either party.
Termination and notification period	May be terminated by either party with notification period of 6 months.
Proper law and jurisdiction	Governed by the laws of Malaysia and China. However, any dispute is subject to the exclusive jurisdiction of the courts of Malaya.

6. INFORMATION ON OUR GROUP (*cont'd*)

As our Group owns the formulation to the scents, the agreement with Foshan Ikeda prohibits them from producing the same products for other customers. Our Group would still be able to engage other outsourced manufacturers to manufacture the products as there are other available outsourced manufacturers that have the capability to produce the products based on the formulation. During the Period Under Review, our Group has worked with another outsourced manufacturer in China, Foshan Hesheng Daomei Environmental Technology Co. Ltd, however as it is more efficient, cost and time saving and to reduce the risk of exposure of the formulation and design of the products, our Group has ceased such arrangement as at the LPD. Furthermore, as the owner of Foshan Ikeda, Tang, YuQiang, has been our Group's shareholder since June 2020 and our Group is able to participate in and monitor the manufacturing process, our Group has decided to maintain Foshan Ikeda as the main outsourced manufacturer in China.

Save for the agreement disclosed above and the major approvals and licences and intellectual property rights as set out in Sections 6.5.11 and 6.5.12 of this Prospectus and below, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences or processes.

6.5.14 Regulatory requirements and environmental issues

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business which may materially affect our Group's business or operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to.

(a) Local Government Act 1976 ("LGA 1976")

The LGA 1976 empowers the local authorities and councils to grant licences or permits for any trade, occupation or premise through by-laws which set out the requirements, among others, to obtain business and signage licences.

As our Group's business activity in Malaysia is carried out in Shah Alam, we are therefore subject to the by-laws of Shah Alam.

Pursuant to the LGA 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500.00 or to imprisonment for a term not exceeding 6 months, or to both. Further, the bylaws of Shah Alam provide that any person who contravenes the by-laws commits an offence, and such person shall upon conviction, be liable to a fine not exceeding RM2,000.00 or to imprisonment for a term not exceeding 1 year, or to both.

As at LPD, Vanzo Asia holds and maintains a valid business and advertisement license issued by the Shah Alam City Council.

(b) Street, Drainage and Building Act 1974 ("SDBA")

The SDBA 1974 regulates laws with regards to local government matters relating to street, drainage and buildings in Peninsular Malaysia including the occupation of buildings. It provides for the requirement to have a CCC to ensure that a building is safe and fit for occupation.

Pursuant to Section 70(27)(f) of SDBA 1974, any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable, on conviction, to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding ten (10) years or to both.

As at the LPD, our Group's tenanted property has been issued with a valid CCC.

6. INFORMATION ON OUR GROUP (cont'd)

(c) Fire Services Act 1988 ("FSA 1988")

The FSA 1988 essentially contains provisions in law required for an effective and efficient functioning of the Fire and Rescue Department of Malaysia ("**FRD**"), for the protection of persons and property from fire risks and for purposes connected therewith. The FSA provides, among other things, that a fire certificate be issued only after the designated premises have been inspected and the FRD is satisfied that there are adequate facilities for life safety, fire prevention, fire protection and firefighting.

Failure to maintain the fire certificate pursuant to the FSA 1988 constitutes an offence, which is punishable on conviction by a fine not exceeding RM50,000 or imprisonment for a term not exceeding 5 years or both. Pursuant to the Fire Services (Designated Premises) (Amendment) Order 2020, our rented property set out in Section 6.8.1.2 is regarded as designated premises whereby a fire certificate is required.

For the period between January 2024 to April 2024, Vanzo Asia operated from our rented property without a fire certificate. The application for fire certificate was made by Vanzo Asia in March 2024 following the completion of all renovation works on the rented property. Vanzo Asia had been issued with fire certificate dated 8 April 2024.

As at the LPD, Vanzo Asia has not been fined or issued with any notice of non-compliance for this past non-compliance. Our Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that our Group has addressed the non-compliance by obtaining the fire certificate dated 8 April 2024.

(d) Control of Drugs and Cosmetics Regulations 1984 ("CDSR 1984")

The CDSR 1984 expressly states that no person shall sell any cosmetic unless the cosmetic is a notified cosmetic. Any person who commits an offence shall be liable on conviction to a fine not exceeding RM25,000.00 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence he shall be liable on conviction to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 5 years or to both. The CDSR 1984 applies to our hand sanitizers as hand sanitizers for general hand hygiene are classified as cosmetic products. As at the LPD, our hand sanitizers have been notified under the CDSR 1984.

As at LPD, our face masks, car fragrance and indoor fragrance products as well as laundry care products are not considered as cosmetic products therefore are not regulated under the CDSR 1984.

(e) Medical Device Act 2012 ("MDA 2012")

The MDA 2012 provides that no medical device shall be imported, exported or placed in the market unless the medical device is registered under the MDA 2012 and any person who contravenes the aforesaid shall, on conviction, be liable to a fine not exceeding RM200,000.00 or imprisonment for a term not exceeding 3 years or both. As our face masks are medical face masks, they are medical devices which are regulated under the MDA 2012.

As at LPD, our face masks are registered under the MDA 2012. Meanwhile, as at LPD, our hand sanitizers, car fragrance and indoor fragrance products as well as laundry care products are not considered as medical devices hence are not governed under the MDA 2012.

6. INFORMATION ON OUR GROUP (cont'd)

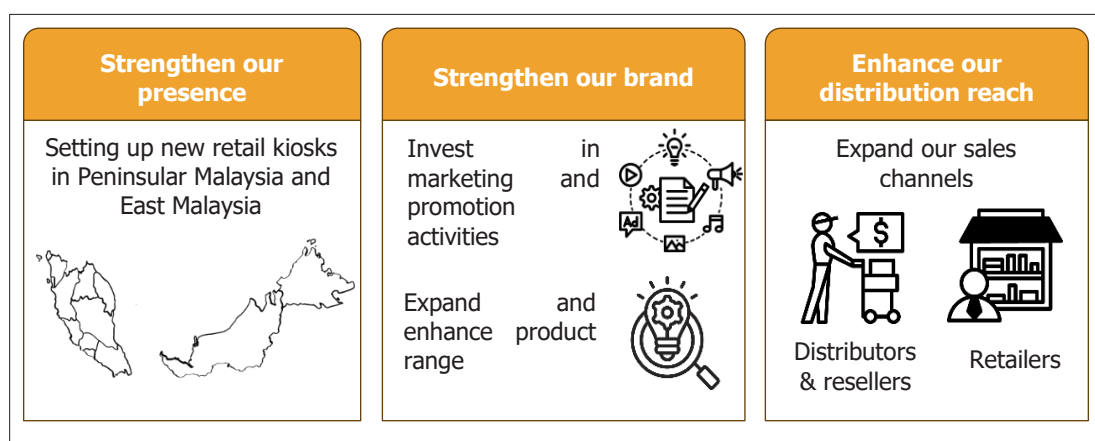
Save as disclosed above, there are no non-compliances with the aforesaid laws, regulations, rules and requirements as at the LPD and there are no other regulatory requirements and/or environmental issues which may materially affect our Group's operations arising from the utilisation of our assets.

6.5.15 Interruptions to our business and operations

We did not experience any material interruptions to our business and operations for the past 12 months prior to the LPD.

6.6 BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue our existing business in the design, marketing and sale of air fragrance and fragrance-related products. We also have put in place strategies and plans to sustain and grow our business as follows:



(i) We intend to strengthen our presence within Malaysia by setting up new retail kiosks

Presently, we have 6 retail kiosks in Malaysia of which 5 are located in 5 shopping malls in Klang Valley and 1 located in Kuching, Sarawak.

Moving forward, we intend to strengthen our market presence by expanding our network of retail outlets throughout Malaysia. As such, we plan to set up 4 new retail kiosks in Peninsular Malaysia and East Malaysia, as detailed below:

No. of new retail kiosks	Location
3	Northern region, Central region or Southern region, Peninsular Malaysia
1	East Malaysia

We have identified Johor Bahru and Kota Kinabalu as suitable locations to set up another 2 retail kiosks by first half of 2025. We have not identified any specific locations for the other 2 retail kiosks to be set up in Peninsular Malaysia by first half of 2026. We intend to rent and set up new retail kiosks in established malls with high number of shoppers. We will take into consideration our target population and demographics, size and rental of the location as well as general economic conditions.

These retail kiosks will be similar to our present outlets, as our products are small in size and do not require large shelf space for display or testing. We are looking at approximately 80 to 150 sq ft of retail area for our retail kiosks.

6. INFORMATION ON OUR GROUP (cont'd)

We estimate that the costs for setting up 4 retail kiosks will amount to approximately RM1.6 million which will be funded from the IPO proceeds.

We will need to hire at least 2 additional employees to be sales assistants at each new retail kiosk.

(ii) We intend to further strengthen our brand and grow our market share within Malaysia

(a) Investing in marketing and promotion activities

We intend to enhance our product awareness and brand by investing in marketing and promotion activities which we have allocated RM5.0 million from our IPO proceeds for the following:

- marketing and promotional activities with retail chain customers to roll out promotional campaigns;
- social media engagement and digital marketing via platforms such as Facebook, Instagram, TikTok, Xiaohongshu (小红书), Lazada, Shopee and Lemon8.
- engaging brand ambassadors to participate in advertisements or post contents on their personal social media platforms with our products to attract prospective customers;
- mass media advertising which entails printed or digital placement with Vanzo branding or promotional messaging on available channels with high traffic location such as electronic billboards; and
- sponsorship of events such as concerts to display our brand on posters and advertisements for the event to create brand awareness for our products. We target to sponsor at least 2 events per annum.

Further, due to the success of our "Marvel Car Vent Perfume and Refill" series and "Disney Tsum Tsum Car Vent Perfume" and "Batmobile 1989 Car Fragrance" series series, we intend to seek new collaborations with other well-known intellectual properties to further strengthen our brand.

(b) Expanding and enhancing our product ranges

Over the years, we have been growing our range of air fragrance and fragrance-related products. Since our incorporation till the LPD, we retail 12 car and indoor fragrance product series with 23 scents.

We intend to continue enhancing our existing product range by introducing new scents or series, or launching new product types that meet market needs, preferences and trends. We intend to continue to introduce at least 1 new product series with 1 new scent co-formulated by us every year which will be funded using our internally generated fund.

Our Group has signed a licence agreement with Warner Bros. Consumer Products Inc where our Group is licensed to market and sell the Batmobile 1989 Car Air Freshener series between 1 May 2024 to 31 December 2026.

6. INFORMATION ON OUR GROUP (cont'd)**(iii) We intend to enhance our distribution reach by expanding our sales channels**

Our distributors, resellers and retailers provide us a wide reach to customers, which will in turn enhance the visibility of our brands and products, and drive the growth of our market share and financial performance. For the Period Under Review, we have the following distributors, resellers and retailers:

	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FYE 2023</u>	<u>FPE 2024</u>
Distributors and resellers	1,237	839	563	303
Retailers	682	992	1,458	1,961

We target to increase our distributors, resellers and retailers which will be funded using our internally generated fund through the following initiatives over the next 3 years:

- (i) Identify potential distributors, resellers and retailers in new markets which they have strong presence in these areas;
- (ii) Continue to motivate sales efforts and performance through incentive programs such as discounts, rebates and bonuses for those who meet the sales targets; and
- (iii) Equip them with marketing materials and resources to aid them in their promotional efforts.

We have allocated a budget of approximately RM1.1 million over the next 3 years to fund the abovementioned initiatives, which will be financed via our internally generated funds.

6.7 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group or our subsidiaries for the Period Under Review and up to the LPD:

- (i) Conditional share sale agreement dated 12 June 2024 entered into between our Company and Allan, Michael, Tang, YuQiang and Lim Chee Lip, to acquire 100% equity interest in Vanzo Asia for a purchase consideration of RM9,148,300. The acquisition was completed on 4 October 2024.
- (ii) Underwriting agreement dated 8 November 2024 entered into between our Company and M&A Securities for the underwriting of 46,676,000 Issue Shares for an underwriting commission of 2.5% of the IPO Price multiplied by the number of Issue Shares underwritten.

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6. INFORMATION ON OUR GROUP (cont'd)

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Material Properties

6.8.1.1 Properties owned by our Group

As at LPD, our Group does not own any properties.

6.8.1.2 Properties rented by our Group

The details of material properties rented by our Group as at LPD are set out below:

No.	Postal address	Landlord / Tenant	Description/Existing use	Land area/ Built-up area (sq ft)	Date of issuance of CCC or CF	Period of tenancy/ Rental per annum
(a)	No. 12, Jalan Tiang U8/92, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan	Promac U8, Enterprises Sdn Bhd / Vanzo Asia	One unit of three-storey detached factory building with a covered storage area and a guard house / Office and warehouse	53,044.55 / 40,877.67	10 November 2010	Period of tenancy: 1 November 2023 to 31 October 2026 Rental per annum: (i) RM75,000 per month from 1 November 2023 to 31 October 2024; (ii) RM80,000 per month from 1 November 2024 to 31 October 2025; (iii) RM85,000 per month from 1 November 2025 to 31 October 2026

6. INFORMATION ON OUR GROUP (cont'd)

As at LPD, our Group has engaged third-party warehousing service providers in Johor Bahru and Perai to stock our Group's inventory which enables prompt delivery of products to customers in the Southern region and Northern region of Peninsular Malaysia. However, these are not rented premises and are services rendered for the storage and handling of our products which are charged based on the area used for the products every month.

As our rented retail kiosks as set out in Section 6.5.10(a)(iii) of this Prospectus primarily serve to increase our brand awareness, we are able to relocate to other shopping malls with similar or higher foot traffic if required. In addition, our retail kiosks contributed 0.2%, 3.3% and 4.0% to our Group's revenue for FYE 2022, FYE 2023 and FPE 2024, respectively. As such, we do not foresee any material adverse financial impact on our business if we have to relocate any of our retail kiosks.

As at the LPD, the above properties rented by our Group is not in breach of any other land use conditions, current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations and/or financial performance.

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6. INFORMATION ON OUR GROUP *(cont'd)*

6.8.2 Production capacities, output and utilisation

Production capacities, output and utilisation are not applicable to our business operation as our business activities are mainly involved in the design, marketing and sale of air fragrance and fragrance-related products.

6.8.3 Material plans to construct, expand or improve our facilities

Our Group has no immediate plans to construct, expand or improve our facilities as at LPD.

6.9 EMPLOYEES

As at LPD, our Group has a total workforce of 54 of which all are Malaysian and permanent employees.

None of these employees belong to any labour union. As at the LPD, there has been no industrial dispute pertaining to our employees nor has there been any incidence of work stoppage or labour disputes that have materially affected our operations since incorporation.

A summary of our Group's total workforce according to job functions as at FYE 2023 and the LPD is as below:

Departments	Number of employees	
	As at FYE 2023	As at the LPD
Management	5	5
Sales and marketing	27	34
Product development and QA/QC	2	2
Finance, human resource, and administration	7	7
Operations	6	6
Total	47	54

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6. INFORMATION ON OUR GROUP (cont'd)

6.10 MAJOR CUSTOMERS

Our Group top 5 major customers for the Period Under Review are as follows:

FYE 2021

No.	Customers	Country	Customer type	Type of products	⁽¹⁾ Length of relationship (years)	Revenue contribution	
						RM'000	(2)%
(1)	MM One Stop Station Enterprise	Malaysia	Electronics and mobile gadgets retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	2	1,734	7.6
(2)	Media Digital Solution PLT	Malaysia	Electronics and mobile gadgets retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	1	1,187	5.2
(3)	CK Distributors Sdn Bhd	Malaysia	FMCG distributor	Car fragrances, indoor fragrances, face masks, hand sanitiser	<1	1,128	5.0
(4)	Luxury Accessories Enterprise	Malaysia	Car accessories retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	2	1,100	4.8
(5)	TC Concepts (M) Sdn Bhd	Malaysia	Car accessories retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	2	954	4.2
Total						6,103	26.8

6. INFORMATION ON OUR GROUP (cont'd)

FYE 2022

No.	Customers	Country	Customer type	Type of products	⁽¹⁾ Length of relationship (years)	Revenue contribution	
						RM'000	(2)%
(1)	Yee Lee group of companies ⁽³⁾	Malaysia	FMCG distributor	Car fragrances, indoor fragrances, face masks and hand sanitiser	<1	5,160	15.2
(2)	Media Digital Solution PLT	Malaysia	Electronics and mobile gadgets retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	2	1,746	5.1
(3)	MM One Stop Station Enterprise	Malaysia	Electronics and mobile gadgets retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	3	1,585	4.7
(4)	Bergamot Sdn Bhd	Malaysia	Personal protective equipment manufacturer and distributor	Car fragrances, indoor fragrances and hand sanitiser	2	1,192	3.5
(5)	Intense United group of companies ⁽⁴⁾	Malaysia	Car accessories retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	1	1,105	3.3
Total						10,788	31.8

6. INFORMATION ON OUR GROUP (cont'd)

FYE 2023

No.	Customers	Country	Customer type	Type of products	⁽¹⁾ Length of relationship (years)	Revenue contribution	
						RM'000	(2)%
(1)	Watson's Personal Care Stores Sdn Bhd	Malaysia	Health and beauty product retailer	Car fragrances and indoor fragrances	1	5,685	13.9
(2)	Lotuss Stores (Malaysia) Sdn Bhd	Malaysia	Hypermarket retailer	Car fragrances and indoor fragrances	<1	3,019	7.4
(3)	MM One Stop Station Enterprise	Malaysia	Electronics and mobile gadget retailer	Car fragrances, indoor fragrances, face mask, hand sanitiser and accessories	4	1,784	4.4
(4)	Media Digital Solution Pjt	Malaysia	Electronics and mobile gadget retailer	Car fragrances, indoor fragrances, face mask and hand sanitiser	3	1,526	3.7
(5)	Aeon Co. (M) Bhd ⁽⁵⁾	Malaysia	Retailer	Car fragrances, indoor fragrances, face mask and hand sanitiser	2	1,382	3.4
Total						13,396	32.8

6. INFORMATION ON OUR GROUP (cont'd)

FPE 2024

No.	Customers	Country	Customer type	Type of products	(1) Length of relationship (years)	Revenue contribution RM'000	(2)%
(1)	Watson's Personal Care Stores Sdn Bhd	Malaysia	Health and beauty product retailer	Car fragrances and indoor fragrances	2	9,315	25.3
(2)	Luxury Accessories Enterprise	Malaysia	Car accessories retailer	Car fragrances, indoor fragrances, face masks, hand sanitiser and accessories	5	1,722	4.7
(3)	Mr. D.I.Y. Trading Sdn Bhd	Malaysia	Home improvement retailer	Car fragrances and indoor fragrances	<1	1,454	4.0
(4)	Lotuss Stores (Malaysia) Sdn Bhd	Malaysia	Hypermarket retailer	Car fragrances and indoor fragrances	1	1,422	3.9
(5)	MM One Stop Station Enterprise	Malaysia	Electronics and mobile gadget retailer	Car fragrances, indoor fragrances, face mask, hand sanitiser and accessories	5	1,213	3.3
Total						15,126	41.2

Notes:

- (1) Length of relationship is determined as at the respective FYE 2021, FYE 2022, FYE 2023 and FPE 2024.
- (2) Our Group's total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 are RM22.79 million, RM33.97 million, RM40.86 million and RM36.78 million respectively.

6. INFORMATION ON OUR GROUP (cont'd)

- (3) Refer to revenue from YLTC Sdn Bhd and Yee Lee Marketing Sdn Bhd. For the Period Under Review, the revenue from Yee Lee group of companies comprised the following:

Yee Lee group of companies	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
YLTC Sdn Bhd	-	-	3,486	10.3	1,193	2.9	155	0.4
Yee Lee Marketing Sdn Bhd	-	-	1,674	4.9	130	0.3	-	-
Total	-	-	5,160	15.2	1,323	3.2	155	0.4

- (4) Refer to revenue from Intense United Sdn Bhd and Innovative Store Sdn Bhd. For the Period Under Review, the revenue from Intense United group of companies comprised the following:

Intense United group of companies	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Intense United Sdn Bhd	-	-	1,049	3.1	936	2.3	602	1.6
Innovative Store Sdn Bhd	434	1.9	56	0.2	-	-	-	-
Total	434	1.9	1,105	3.3	936	2.3	602	1.6

- (5) Consists of sales to 3 departments under AEON Co. (M) Bhd, ie AEON Wellness, AEON Supermarket and AEON DIY.

For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, our Group's top 5 customers contributed 26.8%, 31.8%, 32.8% and 41.2% of our Group's revenues, respectively. Our business is not dependent on any of our major customers as the composition of our Group's top 5 customers generally varies from year to year. Our sales to Watson's Personal Care Stores Sdn Bhd increased from 13.9% in FYE 2023 to 23.5% in FPE 2024, mainly due to the promotional activities jointly undertaken with them, which is in line with the launch of our Marvel Car Vent Perfume and Refill series and Disney Tsum Tsum Car Vent Perfume series. These promotional expenses are fully borne by our Group, and as such, we are not dependent on them as we can collaborate with other retailers to undertake similar promotional activities.

Save for sales amounting to RM0.02 million, RM0.65 million, RM0.39 million and RM0.17 million from AEON Wellness for Period Under Review which were consignment sales, the sales from our major customers are based on purchase orders for Period Under Review. In addition, our Group has a diverse customer base and we served at least 10,000 customers for each FYE during the Period Under Review.

6. INFORMATION ON OUR GROUP (cont'd)

Due to the nature of our Group's business, our sales are mostly based on purchase orders. There is also no minimum required sales quantity of our products in the retail outlets of the retailers. However, we have entered into fixed terms agreements with 8 of the retailers for periods ranging between 1-5 years. Our customer base primarily comprises of distributors and retailers. As a result, the future performance of our Group is reliant, to a certain extent, on our ability to secure repeat purchase orders from these customers.

There has been no dispute with these customers over time which has significantly affected our operations or financial performance. As at the LPD, none of our Directors, Promoters and/or substantial shareholders has any interest, direct or indirect, in any of our major customers.

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6. INFORMATION ON OUR GROUP (cont'd)

6.11 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for the Period Under Review are as follows:

FYE 2021

No.	Suppliers	Country	Type of products / services provided	⁽¹⁾ Length of relationship (years)	Purchases	
					RM'000	(2)%
(1)	Foshan Ikeda	China	Air fragrance products	3	7,033	45.3
(2)	Foshan Hesheng Technology Co. Ltd	China	Air fragrance products	<1	3,218	20.7
(3)	Shenzhen Bai Xiang Hui Technology Co. Ltd ⁽⁴⁾	China	Air fragrance products	<1	2,578	16.6
(4)	Bergamot Sdn Bhd	Malaysia	Fragrance infused face masks	1	709	4.6
(5)	Fukuyama Global Solutions (Shanghai) Ltd	China	Freight services	1	316	2.0
Total					13,854	89.2

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6. INFORMATION ON OUR GROUP (cont'd)

FYE 2022

No.	Suppliers	Country	Type of products / services provided	⁽¹⁾ Length of relationship (years)	Purchases	
					RM'000	(2)%
(1)	Foshan Ikeda	China	Air fragrance products	4	9,801	51.8
(2)	Foshan Hesheng Technology Co. Ltd	China	Air fragrance products	1	3,084	16.3
(3)	Bob Spring Sdn Bhd	Malaysia	Fragrance infused hand sanitiser	1	1,942	10.3
(4)	Shenzhen Bai Xiang Hui Technology Co. Ltd ⁽⁴⁾	China	Air fragrance products	1	1,191	6.3
(5)	Bergamot Sdn Bhd	Malaysia	Fragrance infused face masks	2	781	4.1
Total					16,799	88.8

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6. INFORMATION ON OUR GROUP (cont'd)

FYE 2023

No.	Suppliers	Country	Type of products / services provided	⁽¹⁾ Length of relationship (years)	Purchases	
					RM'000	(2)%
(1)	Foshan Ikeda	China	Air fragrance products	5	12,933	56.9
(2)	Shenzhen Bai Xiang Hui Technology Co. Ltd ⁽⁴⁾	China	Air fragrance products	2	5,728	25.2
(3)	Aromate Industries Co. Ltd	Taiwan	Air fragrance products	1	578	2.5
(4)	Foshan Hesheng Daomei Environmental Technology Co. Ltd	China	Air fragrance products	2	526	2.3
(5)	Fukuyama Global Solutions (Shanghai) Ltd	China	Freight services	3	362	1.6
Total					20,127	88.5

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6. INFORMATION ON OUR GROUP (cont'd)

FPE 2024

No.	Suppliers	Country	Type of products / services provided	⁽¹⁾ Length of relationship (years)	Purchases	
					RM'000	(2)%
(1)	Foshan Ikeda group of companies ⁽³⁾	China	Air fragrance and laundry care products	5	10,322	61.0
(2)	Shenzhen Bai Xiang Hui Technology Co. Ltd ⁽⁴⁾	China	Air fragrance products	3	3,575	21.1
(3)	Aromate Industries Co. Ltd	Taiwan	Air fragrance products	1	950	5.6
(4)	Fukuyama Global Solutions (Shanghai) Ltd	China	Freight services	4	127	0.8
(5)	Bob Spring Sdn Bhd	Malaysia	Fragrance infused hand sanitiser	2	98	0.6
Total					15,072	89.1

Notes:

- Length of relationship is determined as at the respective FYE 2021, FYE 2022, FYE 2023 and FPE 2024.
- Our Group's total purchase for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 are RM15.54 million, RM18.90 million, RM22.72 million and RM16.93 million respectively.
- Refer to purchases from Foshan Ikeda and Guangdong Ikeda Car Accessories Co., Ltd as follows:

Foshan Ikeda group of companies	FPE 2024	
	RM'000	% of total revenue
Foshan Ikeda	9,835	58.1
Guangdong Ikeda Car Accessories Co., Ltd	487	2.9
Total	10,322	61.0

- The products purchased by our Group from Shenzhen Bai Xiang Hui Technology Co. Ltd are supplied by Foshan Ikeda and therefore are of the same quality. Our Group had purchased the products from Shenzhen Bai Xiang Hui Technology Co. Ltd as requested by Foshan Ikeda at the same price.

6. INFORMATION ON OUR GROUP (cont'd)

During the Period Under Review, our Group's top 5 suppliers contributed 89.2%, 88.8%, 88.5% and 89.1% of our Group's total purchases, respectively.

In order to reduce the risk of exposure of the formulation and design of our products, we limit the number of our appointed outsourced manufacturers. As at LPD, we mainly work with 1 outsourced manufacturer to formulate our scents and manufacture most of our car and indoor fragrance products. We also work with another outsourced manufacturer based in Taiwan, i.e. Aromate Industries Co. Ltd to manufacture certain air fragrance products as at the LPD.

During the Period Under Review, we mainly outsourced the manufacturing of our air fragrance and fragrance related products to Foshan Ikeda. Further, the products purchased from Shenzhen Bai Xiang Hui Technology Co. Ltd are supplied by Foshan Ikeda. Collectively, both suppliers contributed 61.9%, 58.1%, 82.1% and 82.1% of our Group's total purchases for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. We are thus dependent on Foshan Ikeda.

As we own the formulation to our scents, our agreement with Foshan Ikeda prohibits them from producing the same products for other customers. We would still be able to engage other outsourced manufacturers to manufacture our products as there are other available outsourced manufacturers that have the capability to produce our products based on our formulation. During the Period Under Review, we have worked with another outsourced manufacturer in China, Foshan Hesheng Daomei Environmental Technology Co. Ltd. However as it is more efficient, cost and time saving and to reduce the risk of exposure of the formulation and design of our products, we have ceased such arrangement as at the LPD. Furthermore, as the owner of Foshan Ikeda, Tang, YuQiang, has been our shareholder since June 2020 and we are able to participate in and monitor the manufacturing process, we have decided to maintain Foshan Ikeda as our main outsource manufacturer in China.

We wish to highlight that we still have another outsource manufacturer in Taiwan, Aromate Industries Co. Ltd, which currently manufactures different types of air fragrance products for us. They have the capability to produce our products based on our formulations, if required.

For scents that are sourced directly from Foshan Ikeda and Aromate Industries Co. Ltd, we would be able to source similar scents from other outsourced manufacturers as these scents are generally widely available.

As at LPD, there has been no dispute with our suppliers which has materially affected our operations or financial performance.

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6. INFORMATION ON OUR GROUP (cont'd)

6.12 EXCHANGE CONTROL

Our Group has not established any place of business outside of Malaysia and is not subject to any governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

6.13 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We are conscientious of factors affecting the environment, community and our employees. To this end, we have implemented, and are in the midst of implementing, the following practices:

(a) Environmental

The ingredients used in our air fragrance products are made from plant-extracts and other non-harmful ingredients, amongst others. Our products do not contain harmful substances such as synthetic dyes, paraffin, formaldehyde, benzene and toluene that are harmful to humans' health or the environment.

Internally, we are also conscious of our impact on the environment and we have adopted responsible approaches in our daily operations to promote environmental sustainability. This includes transitioning to digitalise our marketing materials such as catalogues and brochures, to minimise paper printing. In addition, in order to reduce carbon footprint, employees are encouraged to communicate via electronic methods (such as through email and instant messaging), and only print hard copies of documents when necessary. Our Group also ensures that waste is recycled where possible, and that non-recyclable waste is disposed of responsibly.

(b) Social

We place strong emphasis on maintaining a safe and healthy workplace for our employees. We have formalised control measures and procedures for safety and health functions which include, among others, formalising compliance checklists as well as educating and conducting briefing for our employees on workplace hazards and emergency response plan.

We also support and practise workplace equal opportunity, fair treatment, and gender and cultural diversity for our employees. We have a systematic appraisal system where employees are assessed based on their respective skillset and capabilities.

(c) Governance

We are committed to achieve and uphold the highest standards of corporate governance and ethical conduct in accordance with the principles and practices of corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") as we believe that a high standard of corporate governance is a fundamental part of our Group in discharging our responsibilities to protect and enhance our shareholders' value and financial performance, with high corporate accountability, transparency and integrity.

Our Board is committed to the high standards of professionalism, honesty, accountability, integrity and ethical behaviour in the conduct of our business and operations. We have put in place practices and guidance in accordance with the 3 principles stipulated in the MCCG which cover:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and establishing meaningful relationship with our stakeholders.

6. INFORMATION ON OUR GROUP (cont'd)

As at the LPD, half of the members of our Board comprise independent directors and at least 30% of our Board comprise women directors.

Further, in order to ensure an effective Board to instil good corporate governance practices in our Group, we have established the Nominating Committee which comprises majority Independent Non-Executive Directors with duties and obligations of, among others, to evaluate and review the performance of our Board and senior management in addressing our material sustainability risks and opportunities. We have established and adopted the Anti-Bribery and Anti-Corruption Policy and Guidelines in compliance with the Malaysian Anti-Corruption Commission Act 2009 as we are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices within our Group as well as any third parties associated with us. We have also put in place the Whistleblowing Policy and Procedures to promote and maintain compliance with the Whistleblower Protection Act 2010.

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7. IMR REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
67-1, Block D, Jaya One, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

Date: 31 October 2024

The Board of Directors
VANZO HOLDINGS BERHAD
No. 12, Jalan Tiang U8/92
Seksyen U8, Bukit Jelutong
40150, Shah Alam, Selangor, Malaysia

Dear Sirs/Madam,

Independent Market Research (“IMR”) Report on The Air Fragrance Industry in Malaysia in conjunction with the Listing of VANZO HOLDINGS BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this IMR report on the Air Fragrance Industry in Malaysia for inclusion in the Prospectus of Vanzo Holdings Berhad.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of this industry within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and may not necessarily reflect the performance of individual companies in the industry. It also does not purport to be exhaustive.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without prior express written consent from PROVIDENCE.

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Melissa Lim', with a long horizontal line extending to the right.

MELISSA LIM

EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has approximately 15 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

7. IMR REPORT (cont'd)



Vanzo Holdings Berhad and its subsidiary (collectively referred to as “**Vanzo Group**” or “**the Group**”) are principally involved in the design, marketing and sale of air fragrance and fragrance-related products. Between financial year end (“**FYE**”) 2021 and financial period end (“**FPE**”) 2024, 85.2% to 98.9% of the Group’s revenue was generated from air fragrance products, while the remaining 1.1% to 14.8% of the Group’s revenue was derived from personal and household care products, accessories and other products. Malaysia is also the Group’s principal market, wherein 98.9% to 99.5% of the Group’s revenue was derived from Malaysia, while the remaining 0.5% to 1.1% of the Group’s revenue was derived from Singapore, Brunei and Australia.

As such, this IMR report will focus on the air fragrance industry in Malaysia. It will also cover an overview of the air fragrance industries in Southeast Asia and Australia, and the personal and household care market in Malaysia.

1 THE AIR FRAGRANCE INDUSTRY IN MALAYSIA

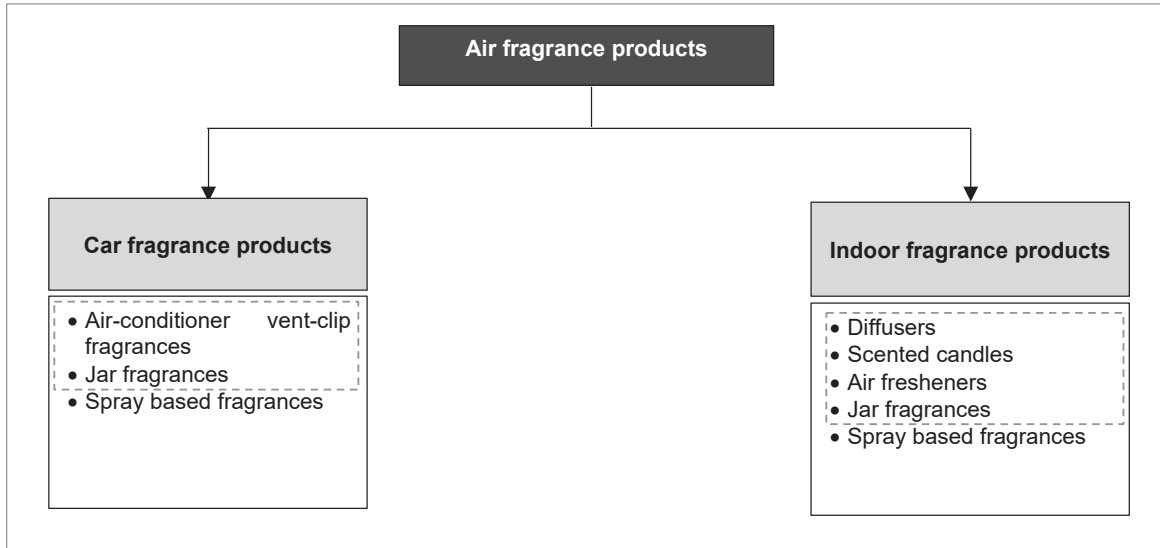
DEFINITION AND SEGMENTATION

Air fragrance products refer to scented products intended for use in a confined space such as in a vehicle, room, bathroom or office. Their function is to deodorise the air and neutralise any unpleasant odours. In addition, they may be used to enhance an environment and elevate mood, such as at a spa.

Scents can evoke emotions and moods such as relaxation, romance and fun. This is because the olfactory system, which is the sensory system for smelling, recognises scents and relates them to a previous experience. In addition, air fragrance products may be blended with essential oils to provide a variety of benefits such as relieving stress, decreasing anxiety and improving sleep quality.

The air fragrance industry may generally be segmented as follows:

Segmentation of air fragrance industry



Notes:

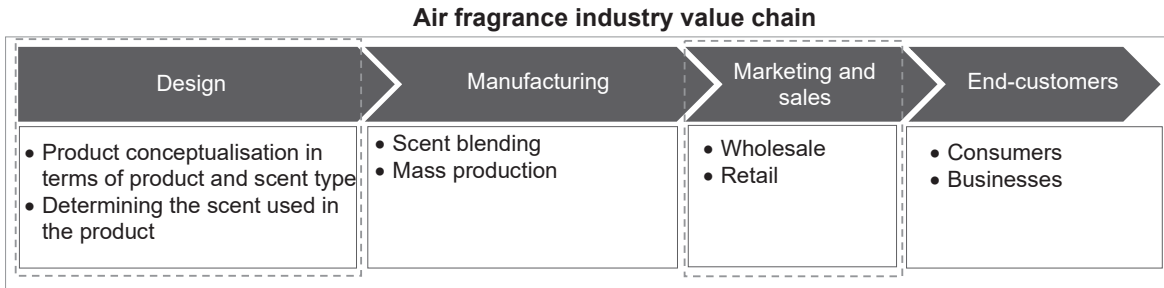
- (i) Denotes the segment in which Vanzo Group presently operates in
- (ii) This list is not exhaustive

Source: PROVIDENCE

7. IMR REPORT (cont'd)



The value chain of the air fragrance industry is as depicted below:



Notes:

- (i) Denotes the segment in which Vanzo Group presently operates in
- (ii) This list is not exhaustive

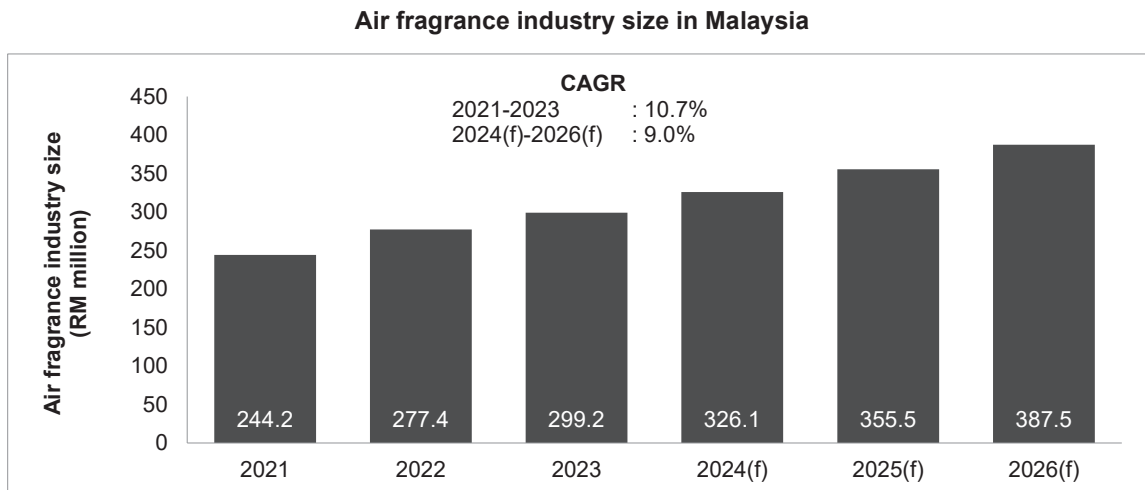
Source: PROVIDENCE

The value chain of the air fragrance industry begins with the design of the product. This includes conceptualising the product type (e.g., jar fragrances or diffusers) and scent type (e.g., floral, fruity or fresh) to meet the intended target market segment. This is followed by determining the scent that will be used in the product. Thereafter, the scent is blended with the product formula, and air fragrance products are mass manufactured. The finished products are then marketed and sold to end-customers who comprise consumers and businesses.

Vanzo Group is a homegrown company that is primarily involved in the design, marketing and sale of air fragrance products.

INDUSTRY PERFORMANCE, SIZE AND GROWTH

The air fragrance industry in Malaysia can be measured by the value of air fragrance products sold in the country. The air fragrance industry in Malaysia grew from RM244.2 million in 2021 to RM299.2 million in 2023 at a compound annual growth rate (“CAGR”) of 10.7%. Moving forward, the air fragrance industry in Malaysia is forecast to grow by a further CAGR of 9.0%, from an estimated RM326.1 million in 2024 to RM387.5 million in 2026.



Note:

(f) – Forecast

Source: Nielsen, PROVIDENCE

7. IMR REPORT (cont'd)



KEY GROWTH DRIVERS

Growing vehicle ownership will lead to increased demand for car fragrance products, contributing to the growth of the air fragrance industry

In Malaysia, the total number of passenger and commercial vehicles registered increased from 508,911 in 2021 to 799,731 in 2023¹. This has been, and is expected to continue to be supported, by continuous consumer spending in tandem with the country's positive long-term economic prospects, the introduction of new models including electric vehicles (EVs) at more competitive prices, government incentives as well as promotional sales campaigns by automotive marques.

Further, most Malaysians prefer driving cars due to convenience, comfort and safety. As an illustration, the number of vehicles in use in Malaysia was 17.7 million as of 2020, which translates to 535 vehicles per 1,000 inhabitants.² This is relatively higher than the global average in the same year of 209 vehicles per 1,000 inhabitants.

The high number of vehicles in use and the growing number of vehicles in Malaysia are expected to create continuous demand for car fragrance products. This is because drivers may use these products to keep the interior of the car smelling fresh and make commuting more pleasant.

Rising disposable income and rapid urbanisation are expected to create demand for air fragrance products

The increase in gross national income ("GNI") indicates a growing disposable income which would give rise to greater spending power amongst the population. Malaysia's GNI per capita grew from RM46,253 in 2021 to RM52,955 in 2023.³ With greater spending power, consumers in Malaysia will be more inclined to purchase lifestyle consumer products, including air fragrance products.

Malaysia is a developing nation with a high urbanisation rate of 78.7% in 2023.⁴ As a result of urbanisation, more people will be moving to cities and living in smaller spaces. This is expected to lead to increased demand for indoor fragrance products to improve indoor air quality in urban areas.

Growing number of residential and commercial properties will create demand for air fragrance products

Residential properties in Malaysia grew from 6.0 million in 2021 to 6.2 million in 2023.⁵ Meanwhile, commercial properties in Malaysia grew from 892,323 units in 2021 to 999,968 units in 2023.⁶ Moving forward, the demand for residential properties is expected to grow in light of the initiatives implemented by the Government of Malaysia. These include:

- An allocation of RM10.0 billion under the Housing Credit Guarantee Scheme, a scheme established to help individuals without a steady income to achieve home ownership, under Budget 2024. Meanwhile, Budget 2025 includes an additional RM10.0 billion allocation under the Housing Credit Guarantee Scheme, which is expected to benefit 20,000 home buyers;
- 'People's Residency Programme' (previously known as 'People's Housing Programme' (PPR)), is an initiative by the Government of Malaysia to develop affordable housing for low-income families. Under Budget 2024, RM367.0 million has been allocated. Meanwhile under Budget 2025, the Government of Malaysia has further allocated RM405.0 million for the completion of 48 ongoing projects;
- 'Rumah Selangorku', which is an initiative introduced by the Selangor State Government to provide low-cost, low-medium and medium-cost housing for the people;
- 'Residensi Wilayah' (previously known as 'Rumah Mampu Milik Wilayah Persekutuan' (RUMAWIP)), which is an initiative by the Ministry of Federal Territories to provide affordable housing to the middle-income groups in the federal territories, namely Kuala Lumpur, Putrajaya and Labuan;
- Rumah Mesra Rakyat (RMR) programme, which assists the lower income group in owning a house through cash payments or loans from financial institutions. In April 2023, the Government

¹ Source: Malaysian Automotive Association

² Source: International Organization of Motor Vehicle Manufacturers. Latest publicly available information is as at 2020.

³ Source: Department of Statistics Malaysia

⁴ Source: World Bank

⁵ Source: National Property Information Centre

⁶ Source: National Property Information Centre

7. IMR REPORT (*cont'd*)



of Malaysia extended the monthly instalment period from 16 to 25 years with a fixed rate of RM300. The Government of Malaysia has allocated RM358.0 million to construct 3,500 units under Budget 2024 and RM452.0 million to construct 5,410 units under Budget 2025; and

- Budget 2025 also includes tax incentives for first-time home buyers, such as personal tax relief of up to RM7,000 on an annual basis for 3 years on housing loan interest payments.

Meanwhile, the demand for commercial properties is expected to grow in line with the number of companies in Malaysia. Number of companies registered in Malaysia grew from 1.4 million in 2021 to 1.5 million in 2023.⁷

The growth in number of residential and commercial properties is expected to create demand for air fragrance products, particularly indoor fragrance products. Individuals generally use these products to keep their homes smelling pleasant and create a cozy atmosphere, while businesses use these products to create a positive work environment. Air fragrance products are also used in certain areas in a house or office (such as bathrooms) to keep the area smelling pleasant.

Growing awareness on the importance of natural air fragrance products

There is a growing awareness of the harm some air fragrance products can cause to an individual's health should they contain harmful chemical compounds such as benzene, formaldehyde and toluene. Studies have shown that air fragrance products emit over 100 different chemicals, including volatile organic compounds and semi-volatile organic compounds.⁸ Volatile organic compounds are chemicals that evaporate easily at room temperature and may cause negative health effects such as irritation in the eyes, nose and throat, as well as cause rashes. It can also affect a person's central nervous system, resulting in fatigue, dizziness, headaches and nausea, and/or cause respiratory distress, amongst others. In addition, volatile organic compounds such as benzene and formaldehyde are known to increase the risk of cancer.^{9,10} As such, individuals are moving towards natural-based scents and products which use plant-extracts or other non-harmful ingredients.

Apart from the above, there is also a growing awareness of plant-based scents to promote health and general well-being. Apart from being free from harmful chemicals, such scents are believed to have therapeutic properties. Examples of these plant-based scents and the health claims associated with them are:

- Eucalyptus – antibacterial;
- Lavender – promoting relaxation, stress relief and improving sleep quality;
- Lemongrass – insect repellent; and
- Peppermint – aids digestion.

Concerns about the health impacts of non-natural air fragrance products and growing awareness of the benefits of natural scents are expected to lead to an inclination towards natural scents and air fragrance products, as they do not contain chemicals and are believed to provide added benefits.

PRODUCT / SERVICE SUBSTITUTION

There are no other substitutes for air fragrance products that can deodorise the air and introduce a pleasant scent. However, air fragrance products may be substituted through do-it-yourself methods by using kitchen or garden items. For example, mixing water with essential oils can create air freshener spray. Kitchen items such as white vinegar, baking soda or coffee grounds have a deodorising effect and can be used to absorb smells.

SUPPLY CONDITIONS

Availability of ingredients and supplies used in air fragrance products

Air fragrance products use plant-based ingredients to derive scents and other compounds, both of which are readily available globally.

⁷ Source: Companies Commission of Malaysia

⁸ Source: Building and Environment, Volume 111, January 2017, Ten questions concerning air fresheners and indoor built environments

⁹ Source: Environmental Health Perspectives, May 2007, Ranking cancer risks of organic hazardous air pollutants in the United States

¹⁰ Source: National Library of Medicine, Healthcare (Basel), May 2021, Phthalates and their impacts on human health

7. IMR REPORT (cont'd)



COMPETITIVE OVERVIEW

As Vanzo Group is principally involved in the design, marketing and sale of air fragrance products under its own brand, "Vanzo", the competitive landscape will be focused on companies involved in the design, marketing and sale of their own brand of air fragrance products. PROVIDENCE estimates that there are approximately 30 industry players involved in the design, marketing and sale of air fragrance and fragrance-related products under their own brand(s), comprising multinational companies and local homegrown companies.

PROVIDENCE has identified 10 industry players, including the Group, on the basis that:

- (i) they are primarily involved in design, marketing and sale of air fragrance and fragrance-related products and distribute their own brand(s) of products;
- (ii) they design, market and sell 2 or more similar types of air fragrance products as Vanzo Group; and
- (iii) these industry players have a revenue of RM5.0 million and above in the latest financial year.

There are 2 types of industry players, i.e. local homegrown companies and multinational companies that have local subsidiaries or representative companies based in Malaysia.

The table below sets out the details of industry players who are local homegrown companies (a)(b):

Company name	Brand	Location of headquarters	Latest audited FYE	Revenue (RM million)	Gross profit ("GP") (RM million)	GP margin (%) ^(c)	Profit after tax after tax (RM million)	PAT margin (%) ^(d)
Vanzo Group	Vanzo	Malaysia	30 September 2023	39.8^(e)	18.6^(e)	46.7	5.1^(f)	12.5^(f)
Bliese (M) Sdn Bhd	Bliese	Malaysia	31 December 2022	9.5	5.5	57.9	(0.4)	- ^(h)
Scent Pur Manufacturing (M) Sdn Bhd ^(g)	Scent Pur	Malaysia	31 December 2018	9.4	2.1	22.3	0.03	0.3
Jape & Eze Sdn. Bhd	Jape	Malaysia	31 December 2023	7.1	1.2	16.9	(0.003)	- ^(h)

The table below sets out the details of industry players who are multinational companies (particularly the parent company and the subsidiary based in Malaysia) (a)(b):

Company name	Brand	Location of headquarters	Latest audited FYE	Revenue (RM million)	Gross profit ("GP") (RM million)	GP margin (%) ^(c)	Profit after tax after tax (RM million)	PAT margin (%) ^(d)
The Procter & Gamble Company ⁽ⁱ⁾	Ambi Pur	The United States	30 June 2024	134,654 ^{(j)(k)}	197,180 ^{(j)(k)}	51.4 ^(m)	68,361 ^{(j)(k)}	17.8 ^(m)
Procter & Gamble (Malaysia) Sdn Bhd	Ambi Pur	The United States	30 June 2023	890 ^(l)	132 ^(l)	14.8	19 ^(l)	2.1
Reckitt Benckiser Group plc ^(o)	Air Wick	United Kingdom	31 December 2023	82,952 ^{(j)(p)}	49,747 ^{(j)(p)}	60.0	9,359 ^{(j)(p)}	11.3

7. IMR REPORT (cont'd)



Company name	Brand	Location of headquarters	Latest audited FYE	Revenue (RM million)	Gross profit ("GP") (RM million)	GP margin (%) ^(e)	Profit after tax ("PAT") / Loss after tax (RM million)	PAT margin (%) ^(e)
RB (Health) Malaysia Sdn Bhd	Air Wick	United Kingdom	31 December 2023	555 ^(l)	273 ^(l)	49.2	43 ^(l)	7.7
S.C. Johnson & Son Inc ⁽ⁱ⁾	Glade	The United States	N/A	N/A	N/A	N/A	N/A	N/A
S.C. Johnson & Son (M) Sdn Bhd	Glade	The United States	30 June 2023	101 ^(e)	56 ^(l)	20.8 ^(m)	5 ^(l)	1.9 ⁽ⁿ⁾
Kobayashi Pharmaceutical Co., Ltd ⁽ⁱ⁾	Sawaday	Japan	31 December 2023	5,635 ^{(l)(e)}	3,238 ^{(l)(e)}	57.5	683 ^{(l)(e)}	12.1
Kobayashi Healthcare (Malaysia) Sdn. Bhd	Sawaday	Japan	31 December 2023	67 ^(l)	12 ^(l)	17.9	4 ^(l)	6.0
Earth Corporation ^(l)	Oasis	Japan	31 December 2023	2,183 ^{(l)(e)}	2,067 ^{(l)(e)}	40.2 ^(m)	143 ^{(l)(e)}	2.8 ⁽ⁿ⁾
Earth Home Products (Malaysia) Sdn Bhd	Oasis	Japan	31 December 2023	9 ^(l)	4 ^(l)	44.4	(6) ^(l)	- ^(h)
Farcent Enterprise Co., Ltd ^(v)	Farcent	Taiwan	31 December 2023	383 ^{(l)(w)}	182 ^{(l)(w)}	47.5	38 ^{(l)(w)}	9.9
Farcent Malaysia Sdn Bhd	Farcent	Taiwan	31 December 2023	8 ^(l)	3 ^(l)	37.5	(1) ^(l)	- ^(h)

Notes:

- (i) ^(a) Information based on publicly disclosed information as at 31 October 2024.
- (ii) ^(b) This list is not exhaustive. Exempt private companies and companies with revenues below RM5.0 million have been excluded from this list.
- (iii) ^(c) GP margin is computed based on GP divided by revenue.
- (iv) ^(d) PAT margin is computed based on PAT divided by revenue.
- (v) ^(e) Financial information is based on the Group's car fragrance and indoor fragrance business segments.
- (vi) ^(f) PAT and PAT margin are based on consolidated financial information as segmental PAT of the Group is not available.
- (vii) ^(g) Company is an exempt private company since 2019.
- (viii) ^(h) PAT margin cannot be calculated as the company has a loss after tax.
- (ix) ⁽ⁱ⁾ The company is a listed company on the New York Stock Exchange.
- (x) ^(j) Revenue is based on fabric and home care business segment, which includes The Procter & Gamble Company's air fragrance products.
- (xi) ^(k) Exchange rate from USD to RM in 2024 was converted based on average annual exchange rates in 2023 extracted from published information from Bank Negara Malaysia at USD1 = RM4.5653.
- (xii) ^(l) Company is involved in the sale of products other than the air fragrance products, and the segmental financial information for air fragrance products are not be publicly available and cannot be excluded.
- (xiii) ^(m) GP margin is based on consolidated GP over consolidated revenue for the company as the segmental GP for air fragrance products is not publicly available.
- (xiv) ⁽ⁿ⁾ PAT margin is based on consolidated PAT over consolidated revenue for the company as the segmental PAT for air fragrance products is not publicly available.

7. IMR REPORT (cont'd)



PROVIDENCE

- (xv) (o) The company is a listed company on London Stock Exchange.
- (xvi) (p) Exchange rate from GBP to RM in 2023 was converted based on average annual exchange rates in 2023 extracted from published information from Bank Negara Malaysia at GBP1 = RM5.6789.
- (xvii) (q) Financial information of the company is not publicly available.
- (xviii) (r) The company is a listed company on Tokyo Stock Exchange and Osaka Securities Exchange.
- (xix) (s) Exchange rate from JPY to RM in 2023 was converted based on average annual exchange rates in 2023 extracted from published information from Bank Negara Malaysia at JPY100 = RM3.2486.
- (xx) (t) The company is a listed company on Tokyo Stock Exchange.
- (xxi) (u) Revenue derived from household care business segment, which includes Earth Corporation's air fragrance products.
- (xxii) (v) The company is a listed company on the Taiwan Stock Exchange.
- (xxiii) (w) Exchange rate from TWD to RM in 2023 was converted based on average annual exchange rates in 2023 extracted from published information from Bank Negara Malaysia at TWD100 = RM14.6426.

Source: Companies Commission of Malaysia, various company websites and annual reports, PROVIDENCE

In order to set up a new air fragrance company, new entrants need sufficient capital to purchase air fragrance products, which may come with a minimum order quantity. However, air fragrance industry players need not incur high capital expenditures to set up a manufacturing facility as this may be outsourced to a manufacturer. Thus, the barriers to entry faced by air fragrance industry players are moderately low.

Among the critical success factors for air fragrance companies involved in the design, marketing and sale of air fragrance and fragrance-related products are having products that are relevant and appeal to customer needs, having the capability to build a brand reputation and sales channel to market and sell the products, determining suitable pricing strategies for the intended target market, as well as maintaining product quality.

Market share

Vanzo Group garnered a market share of 13.3% in the air fragrance industry in Malaysia, based on its revenue of the air fragrance segment revenue of RM39.8 million for the FYE 2023, computed against the air fragrance industry size in Malaysia of RM299.2 million in 2023. This is an increase from the Group's market share in 2022 of 10.4% based on its air fragrance segment revenue of RM28.9 million and the total air fragrance industry in Malaysia of RM277.4 million in 2022.

7. IMR REPORT (cont'd)



The table below sets out the 2023 market share of the air fragrance industry in Malaysia:

Company name	Brand	Location of headquarters	Facebook followers ^(a)	2023 market share in the air fragrance market (%) ^(b)
Procter & Gamble (Malaysia) Sdn Bhd	Ambi Pur	The United States	148,000	38.3%
SC Johnson & Sons (M) Sdn Bhd	Glade	The United States	3,600,000	23.5%
Vanzo Group	Vanzo	Malaysia	61,000	13.3%
RB (Health) Malaysia Sdn Bhd	Air Wick	United Kingdom	10,000	8.1%
Farcent Malaysia Sdn Bhd	Farcent	Taiwan	6,700	2.2%
Kobayashi Healthcare (Malaysia) Sdn Bhd	Sawaday	Japan	4,500	0.8%
Jape & Eze Sdn Bhd	Jape	Malaysia	1,100	0.7%
Earth Home Products (Malaysia) Sdn Bhd	Oasis	Japan	1,800	0.5%
Bliese Sdn Bhd	Bliese	Malaysia	19,000	0.1%
Scent Pur Manufacturing (M) Sdn Bhd	Scent Pur	Malaysia	854	0.01%

Notes:

- (i) ^(a) Information as at 31 October 2024.
- (ii) ^(b) 2023 market share is computed based on sales derived from air fragrance products, sourced from Nielsen. This information is based on sales of air fragrance products transacted at retail outlets and may not refer to the revenue of the respective companies.

Source: Nielsen, Facebook, various company websites, PROVIDENCE

INDUSTRY RISKS AND CHALLENGES

Among the risks and challenges faced in the air fragrance industry in Malaysia include:

- (i) Competition from other air fragrance companies, who may differentiate themselves based on their brand, product offerings and price points;
- (ii) Anticipating changes in market preferences; and
- (iii) Negative publicity towards the brand, which may adversely impact the reputation of the company and its products.

7. IMR REPORT (cont'd)

2 OVERVIEW OF THE AIR FRAGRANCE INDUSTRIES IN SOUTHEAST ASIA AND AUSTRALIA

The air fragrance industries in Southeast Asia and Australia can be measured by the retail sales of air fragrance products sold. The air fragrance industries in Southeast Asia and Australia collectively grew from USD689.8 million (RM2.9 billion¹¹) in 2021 to USD711.9 million (RM3.3 billion¹¹) in 2023 at a CAGR of 1.6%.¹² Moving forward, the air fragrance industries in Southeast Asia and Australia are forecast to grow by a further CAGR of 1.2%, from an estimated USD720.7 million (RM3.3 billion¹¹) in 2024 to USD738.7 million (RM3.4 billion¹¹) in 2026.

The growth of the air fragrance industries in Southeast Asia and Australia have been, and are expected to continue to be driven, by the following factors:

(i) Growing population and increasing disposable income

The population of Southeast Asia increased from 668.3 million in 2021 to 680.4 million in 2023.¹³ Meanwhile in Australia, the population grew from 25.8 million in 2021 to 26.6 million in 2023.¹⁴ During the same period, the gross domestic product (“GDP”) per capita in Southeast Asia grew from USD5,096 (RM21,125¹¹) to USD5,603 (RM25,579¹¹) while the GDP per capita of Australia increased from USD64,327 (RM266,661¹¹) to USD65,434 (RM298,726¹¹) in 2023.¹⁵

(ii) Growing awareness on the importance of natural air fragrance products

Similar to the air fragrance industry in Malaysia, there may be growing concerns about the health impacts of non-natural air fragrance products and growing awareness of the benefits of natural scents. Further details on the growing awareness of natural air fragrance products are detailed in **Chapter 1 – The Air Fragrance Industry in Malaysia (Key Growth Drivers) of this IMR report**. This is thus expected to lead to an inclination towards natural scents and air fragrance products, as they do not contain chemicals and are believed to provide added benefits.

3 OVERVIEW OF THE PERSONAL AND HOUSEHOLD CARE MARKET IN MALAYSIA

The personal care market size, in terms of sales value of personal care products comprising bath and shower, hair care and oral care products, deodorants, hand sanitizers and other accessories, in Malaysia grew from RM12.5 billion in 2021 to RM15.2 billion in 2023, registering a CAGR of 10.3%.¹⁶ In particular, the sales value of hand sanitizers in Malaysia grew from RM29.3 million in 2021 to RM35.4 million in 2023, registering a CAGR of 9.9%. On the other hand, sales value of face masks in Malaysia declined from RM3.1 billion in 2020 to RM83.7 million in 2023, following the decline in demand for face masks after Malaysia entered into the endemic phase of COVID-19 in 2022.¹⁷

Meanwhile, the household care market size, measured by the sales value of household care products comprising laundry care, dishwashing liquid, disinfectant and surface care, and insecticide products, in Malaysia grew at a CAGR of 6.5% between 2021 and 2023, from RM3.0 billion to RM3.4 billion.¹⁸ Specifically, sales value of laundry care products grew from RM1.5 billion in 2021 to RM1.7 billion in 2023, recording a CAGR of 6.5%.

Moving forward, the personal care market in Malaysia is forecast to grow from an estimated RM16.2 billion in 2024 to RM18.5 billion in 2026, registering a CAGR of 6.9%. PROVIDENCE forecasts that the market

¹¹ Exchange rate from USD to RM was converted based on average annual exchange rates extracted from published information from Bank Negara Malaysia at:

2021: USD1 = RM4.1454

2023: USD1 = RM4.5653

2024: USD1 = RM4.5653

2026: USD1 = RM4.5653

¹² Source: Euromonitor

¹³ Source: International Monetary Fund

¹⁴ Source: International Monetary Fund

¹⁵ Source: International Monetary Fund

¹⁶ Source: Euromonitor

¹⁷ Source: Statista

¹⁸ Source: Euromonitor

7. IMR REPORT (cont'd)



for hand sanitizers in Malaysia will grow at a CAGR of 7.5%, to reach RM45.2 million by 2026. However, the market for face masks in Malaysia is forecast to decline to RM32 million by 2026.

Meanwhile the household care market in Malaysia is forecast to grow at a CAGR of 5.4% between 2024 and 2026, from an estimated RM3.6 billion to RM4.0 billion. PROVIDENCE forecasts that the market for laundry care in Malaysia will grow at a CAGR of 5.4%, to reach RM2.0 billion by 2026.

The growth in demand for personal and household care products is expected to be driven by the following factors:

(i) Long-term economic growth leading to increasing disposable income, as well as population growth will boost the consumer products industry

Over the years, the population in Malaysia grew from 32.6 million in 2021 to 33.4 million in 2023, while nation's disposable income, as depicted by the GNI per capita grew from RM46,253 in 2021 to an estimated RM52,955 in 2023.¹⁹

The increase in disposable income will lead to greater spending power, which will result in an increase in spending on personal and household care products.

(ii) Constant introduction of new products will drive demand for personal and household care products

There are new products constantly being introduced in the personal and household care market leading to new products that differ and improve in terms of design styles, scents, functions or purposes.

In terms of scents, household care products may be infused with new scents to attract customers to purchase multiple varieties, or try new scents. As new scents are introduced, this would create demand for personal and household care products.

4 PROSPECTS AND OUTLOOK FOR VANZO GROUP

Moving forward, the air fragrance industry size in Malaysia is forecast to grow at a CAGR of 9.0% between 2024 and 2026. As an air fragrance industry player, Vanzo Group stands to benefit from this growth which is driven by:

- Growing vehicle ownership which will create continuous demand for air fragrance products;
- Rising disposable income which will lead to greater spending power, and rapid urbanisation which will result in increased demand for indoor air fragrance products to improve air quality as people move to cities and live in smaller spaces; and
- Growing number of residential and commercial properties which will create demand for indoor fragrance products; and
- Growing awareness on the importance of natural air fragrance products in line with growing concerns about the health impacts of non-natural air fragrance products and growing awareness of the benefits of natural scents, which will lead to an inclination towards natural scents and air fragrance products.

Further, as Vanzo Group also markets and sells personal and household care products, the Group is expected to benefit from the continuous growth in demand for these products. The personal care and household care markets in Malaysia are forecast to grow at a CAGR of 6.9% and 5.4% between 2024 and 2026, respectively.

¹⁹ Source: Department of Statistics Malaysia

8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

8.1 RISKS RELATING TO OUR BUSINESS

8.1.1 We are dependent on Foshan Ikeda

In order to reduce the risk of exposure of the formulation and design of our products, we limit the number of our outsourced manufacturers we appoint. During the Period Under Review, we mainly co-formulated and outsourced the manufacturing of our air fragrance and fragrance-related products to Foshan Ikeda. Further, the products purchased from Shenzhen Bai Xiang Hui Technology Co. Ltd are supplied by Foshan Ikeda. Collectively, both suppliers contributed 61.9%, 58.1%, 82.1% and 82.1% of our Group's total purchases for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. We are thus dependent on Foshan Ikeda.

Although there are other available outsourced manufacturers that have the capability to formulate and manufacture our products, we could still face supply disruptions should we cease working with Foshan Ikeda. This is because the transitional period to a new outsourced manufacturer may cause a delay of up to 4 months due to time taken to manufacture new or similar products and obtain certifications for some of the products. Some of our products, i.e. ultrasonic diffusers, are required to be certified, and we will have to work with the new outsourced manufacturer to obtain certification for the new or similar product before it can be marketed and retailed. Further, should we cease working with Foshan Ikeda, there is also no assurance that we will be able to engage other outsourced manufacturer(s) at favourable prices or in a timely manner.

Any major disruptions or sudden cessation of supply from Foshan Ikeda may result in a shortage of products and inability to market and sell products to our customers, or result in our Group having to pay a higher cost for the products. This could consequently lead to a material and adverse impact to our Group's business operations, financial performance and future growth. From the commencement of business relationship up to the LPD, our Group has not encountered any instances of disruptions or sudden cessation of supply from Foshan Ikeda save for slower shipments during COVID-19 pandemic.

Further, we are subject to risks associated with their non-performance. This includes their inability to deliver products in a timely manner or the delivery of substandard products to us. Such non-performance risks could lead to our Group experiencing delays in replenishing our inventories in a timely manner, which could materially and adversely impact our operation and consequently our financial performance. From the commencement of business relationship up to the LPD, our Group has not encountered any instances of non-performance by Foshan Ikeda.

8. RISK FACTORS (cont'd)

8.1.2 Our business operations may be affected if there are negative publicity regarding our brand arises

Over the years, we have established our "Vanzo" brand. Our company and brand reputation are critical to our ability to attract customers to buy our products and maintain relationships with distributors, resellers and retailers.

The occurrences of events which draw negative publicity to, or otherwise adversely impact our reputation or damage our brands, may deter customers from buying our products. These events include incidents relating to the quality of our products, and negative comments from our existing customers regarding our products, our retail kiosks and business practices, which may be beyond our control. Further, our reputation may be adversely affected by employees of distributors, resellers and retailers who market and sell our products to consumers, which may be beyond our control.

Increasingly, consumers are using social media platforms to provide feedback and information on products and their shopping experience in a manner that may result in a rapid and broad dissemination of such feedback. Customer complaints in relation to, amongst others, our failure to meet consumer expectations with respect to our products, delivery times, customer support or other matters could have a negative impact on our reputation, if disseminated widely.

Further, any actual or perceived position represented by our Group on social, environmental, or other sensitive issues, and any perceived lack of transparency about those matters, could harm our reputation with certain customer demographics.

Any of such events could undermine our customers' confidence in our business, brand and products. This could consequently reduce demand for our products, which could adversely and materially impact our business, financial condition, results of operations and prospects.

Since the commencement of our business operations till the LPD, we have not experienced any events that have adversely impacted our brand and industry reputation which have a material and adverse impact on our business and financial performance. However, there can be no assurance that such events will not occur in the future.

8.1.3 We are subject to changes in consumer preferences

Consumer's preferences are ever changing and to a certain extent, our success is dependent on our ability to anticipate the changes in the market and to develop new products to cater to such changes. Hence, our product development and QA/QC personnel is constantly keeping track of the latest consumer's preferences to ensure the products of our Group remain relevant and are sought after by consumers in the market. However, there is no assurance that we will be able to continuously adapt to the changes in consumer's preferences and market conditions.

If we fail to market and sell products that customers demand and/or market through appropriate and popular sales channels, we could experience a decline in customers' demand for our products and number of sales transactions. This would consequently adversely impact our business and financial performance.

8.1.4 We are exposed to risk relating to failure to protect our proprietary formulation for the scents of our products

As at the LPD, we own the formulation for 12 of the scents used in our car and indoor fragrance products as well as our personal and household care products. Failure to protect proprietary information including formulation of these scents could inadvertently lead to the infringement of our products by external parties. This could consequently result in external parties providing similar or same products to the market, which could impact our Group's business and financial performance.

8. RISK FACTORS (cont'd)

As at LPD, we limit the exposure of our formulation to Foshan Ikeda. However, there can be no assurance that we will be able to protect our proprietary formulation for the product scents and that this would not materially and adversely impact our Group's business and financial performance. As at LPD, our Group has not experienced any failure to protect our proprietary formulation for the scents of our products.

8.1.5 We are exposed to the risk of counterfeit products

We cannot assure that we will not encounter counterfeiting of our products, such as unauthorised imitation or replication of our designs and labelling, by third-parties from time to time. Third-parties may make and sell an inferior counterfeit of our Group's products. These counterfeit products are generally sold at prices that are lower than our market prices. The presence of counterfeit products in the market could have a negative impact on the value and image of our brands, result in a loss of consumer confidence in our products and as a consequence, adversely affect our business.

Although we have trademarked our "Vanzo" brand and had not encountered any counterfeit products in the market that had materially and adversely affected our business and financial performance in the past, there is no assurance that such incident will not occur and that we will be successful in preventing future counterfeiting. Please refer to Section 6.5.12 of this Prospectus for further details of our trademarks.

8.1.6 The continuing success of our Group depends on the expertise of our Managing Director and Executive Director

Our present and future success are largely dependent upon the continuous efforts and invaluable experience of our Managing Director and Executive Director. Our Managing Director and Executive Director are vital for the strategic direction, leadership, business planning and development, as well as management of our Group's operations, in addition to formulating and implementing strategies to drive the future growth of our Group.

As such, the loss of both of our Managing Director and Executive Director without suitable or timely replacements may adversely affect our Group's future development, business operations and financial performance.

8.1.7 We are exposed to interest rate risk

Our total outstanding borrowings as at 30 June 2024 stood at RM7.90 million. Our borrowings comprise mainly trade facilities such as bankers' acceptances, hire purchasing and term loans, resulting in a gearing ratio of 0.6 time.

As all our bank borrowings are interest-bearing, any hikes in interest rates would increase our interest expenses, and thus, will adversely affect our profitability and cash flow. In the event where our Group fails or encounter difficulties to meet our financial obligations when they fall due, it will have an adverse impact on our financial performance.

For the Period Under Review, we have not defaulted on any payments of either the principal or interests in relation to our borrowings. However, there can be no assurance that we will continue to make principal and interest payments on time in the future.

8. RISK FACTORS (cont'd)**8.1.8 We are exposed to fluctuation in foreign exchange rates which may impact our product costs**

Majority of our purchase of supplies is denominated in RMB. As our sales are mainly transacted in RM, any depreciation of the RM against the RMB will affect the cost of our purchases. This may adversely affect our financial performance as it would reduce our gross profit margin if we are unable to pass on the additional costs to our customers.

The following is our Group's breakdown of purchases made in RMB, USD and RM during the Period Under Review:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
RMB	12,844	82.7	14,134	74.8	19,346	85.2	15,528	91.8
USD	316	2.0	455	2.4	940	4.1	1,173	6.9
RM	2,379	15.3	4,314	22.8	2,430	10.7	224	1.3
Total	15,539	100.0	18,903	100.0	22,716	100.0	16,925	100.0

Our exposure to foreign exchange risk for the imports of products is typically 2 to 3 months starting from the confirmation of purchase orders to receipt of products. However, during the Period Under Review, we have not faced any material increase in our overall cost of sales or any material fluctuations in foreign exchange rates which have materially affected our Group's financial performance.

We do not have any formal hedging contracts to manage our foreign exchange risk. However, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, taking into consideration factors such as foreign currency involved, exposure period and transaction costs.

There can be no guarantee that there will not be any material fluctuation in foreign exchange rates in the future that could result in us recording higher cost of sales or lower revenue, thereby adversely affecting our profit margin and thus, our financial performance.

8.1.9 We are subject to credit risks

Our credit sales represented 20.7%, 36.4%, 48.0% and 60.6% of our revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Thus, we are subject to credit risks associated with our customers, and our profitability and cash flow may be affected if our customers fail to make timely payments for the purchase of our products. We grant our customers credit periods of between 30 and 90 days, and as such we are exposed to credit risks arising from our Group's trade receivables which may arise from events and circumstances beyond our control. Our trade receivable turnover days have been 77 days, 84 days, 108 days and 92 days in FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

If a customer delays payment in part or at all, our cash flow and working capital may be adversely affected. While our finance team monitors collections from our customers regularly and follows up on any overdue amounts, the payment recovery process is usually time-consuming. Furthermore, there is no assurance that any outcome will be in our favour or that any dispute will be resolved in a timely manner. If we fail to secure adequate payments in time or to manage past due debts effectively, our business operations and financial conditions may be materially and adversely affected. During the Period Under Review and up to the LPD, our Group do not have any instances of bad debts which materially affected our operations and financial performance.

8. RISK FACTORS (cont'd)

Nevertheless, there is no guarantee that our customers will be able to fulfil their debt obligations and our Group will not encounter collection problems in the future. Hence, any failure by our customers to make payment to us on a timely manner may materially and adversely affect our operating cash flows, financial condition and results of operations.

8.1.10 Our insurance coverage may not cover all losses or liabilities that may arise from our business operations

We maintain insurance policies that apply to our business operations to protect against various losses and liabilities, this include fire, product liability and public liability. As at the LPD, the total sum insured for our insurance policies that apply to our business operations including retail kiosks and inventories is RM11.93 million. During the Period Under Review and up to the LPD, our Group do not have any instances of insurance claims.

We may be exposed to liabilities and losses resulting from among others, environmental factors, operational hazards and occupational risks where we may not have adequate insurance or there may not be sufficient insurance to cover all the risks associated with our business operations. Any losses or damage over our insured limits or in areas where we are not insured or fully insured may adversely affect our financial conditions.

8.2 RISKS RELATING TO THE INDUSTRY WHICH WE OPERATE IN

8.2.1 We face competition from other industry players

As we are principally involved in the provision of air fragrance and fragrance-related products, we face competition from other industry players who offer similar products as us. They may compete with us in terms of product features, product pricing, product quality, sales channel or customer service.

Some of our competitors may have longer operating history, greater financial and marketing abilities, larger customer bases or more retail outlets as compared to us. Whilst we compete based on the quality of our products, there can be no assurance that our performance will not be affected by the competition and that we will be able to compete successfully against existing or new competitors in the future.

In the event where there is an increase in competition, it may result in our Group experiencing reduced profits or profit margins, loss of market share and increased difficulty in market penetration. All of these may adversely affect our Group's business operation and financial performance.

8.2.2 We are subject to economic, social, political, regulatory and pandemic risks

Any adverse changes in the political, social, economic and regulatory conditions in Malaysia could have a negative impact on our business operations and financial performance. We are also susceptible to the risk of local epidemics or pandemics where we may face business interruptions including, among others, temporary suspension of our business operations.

Changes in the political, social, economic, fiscal and regulatory conditions could arise from, among others, changes in political leadership, risks of war or civil unrest, changes in import tariffs and related duties, and conditions governing licensing, registrations and permits to conduct business. Similarly, any local, regional or global economic downturn would also affect overall business conditions, consumer confidence, as well as investments, which would subsequently affect the demand for our products. As such, there can be no assurance that any adverse political, social, economic, fiscal and regulatory developments or outbreak of diseases which are beyond our control, will not materially affect our business operations and financial performance.

8. RISK FACTORS (cont'd)

8.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

8.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no prior market for our Shares. Our Listing does not guarantee that an active market for the trading of our Shares will develop, or if developed, that such market can be sustained. There is also no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

There also can be no assurance that the IPO Price which has been determined after taking into consideration the factors as set out in Section 4.4 of this Prospectus will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing.

8.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

- (a) The selected investors failed to subscribe for their portion of our IPO Shares;
- (b) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein;
- (c) The revocation of the approvals from the relevant authorities prior to our Listing and/or admission for whatever reason; or
- (d) We are unable to meet the public shareholding spread requirements of the Listing Requirements, whereby at least 25.0% of our total number of Shares for which Listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

In this respect, we will exercise our best endeavours to comply with the various regulatory requirements, including, amongst others the public shareholding spread requirement in paragraph (d) above for our successful Listing. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or non-implementation of our Listing.

Upon the occurrence of any of these events, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of any application for our Shares within 14 days, failing which the provisions of Sections 243(2) of the CMSA will apply accordingly and we will be liable to repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

In the event our Listing is aborted and/or terminated, and our Shares have been allotted to the shareholders, a return of monies to all holders of our Shares can only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires, among others, the sanction of our shareholders by special resolution in a general meeting and consent of our creditors (if required). There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

8. RISK FACTORS (cont'd)

8.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

8.3.4 There is no assurance of payment of dividends to our shareholders

It is the intention of our Board to recommend and distribute a dividend of the profit attributable to our shareholders. However, our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded, excess of funds not required to be retained for working capital for our business, capital expenditure and other investment plans.

In addition, as we are a holding company, our Company's income and therefore our ability to pay dividends are dependent upon the dividends we receive from our subsidiaries, present or future. The payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Please refer to Section 11.7 of this Prospectus for further information on our dividend policy.

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8. RISK FACTORS (cont'd)

8.4 OTHER RISKS

8.4.1 Our Promoter will be able to exert significant influence over our Company

Upon completion of our IPO, our Promoter will hold 252,045,100 Shares, representing approximately 54.0% of our enlarged share capital. Because of the size of its shareholdings, our Promoter will be able to control the business direction and management of our Group and as such there can be no assurance that the interests of our Promoter will be aligned with those of our other shareholders. The interests of our Promoter may differ from the interests of our other shareholders and our Promoter may be able to exercise significant influence over the vote of our Shares.

Our Promoter could also have significant influence in determining the outcome of any corporate transaction or other matters submitted to our shareholders for approval. This includes the election of Directors, dividend policy, approval of business ventures and having voting control over our Group. As such, our Promoter will have significant influence on the outcome of any ordinary resolution (which requires a simple majority of 50% plus 1 voting share) to be tabled at any general meeting, unless he is required to abstain from voting by law and/or as required by the relevant authorities.

8.4.2 Our future fund-raising exercise may result in dilution of shareholdings

Our capital requirements are dependent on, amongst others, our business, the availability of our resources in attracting, maintaining and enlarging our customer base and the need to maintain and expand our product offerings. Thus, we may need additional capital expenditure for future expansions and/or investments. Subject to Section 85 of the Act and the Constitution, an issue of new Shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investment by shareholders.

8.4.3 Forward-looking/prospective statements in this Prospectus may not be achievable

Certain statements in this Prospectus are based on historical data which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our Shares.

9. RELATED PARTY TRANSACTIONS

9.1 MATERIAL RELATED PARTY TRANSACTIONS

Save for the Acquisition and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our directors, substantial shareholders and/or persons connected with them which are material to our Group during Period Under Review and up to LPD:

Related party	Transacting company in our Group	Interested persons and nature of relationship	Nature of transactions	Transaction values					(2)1 July 2024 up to LPD
				FYE 2021	FYE 2022	FYE 2023	FPE 2024	RM	
Foshan Ikeda	Vanzo Asia	Tang, YuQiang is our substantial shareholder from June 2020 until the completion of the Acquisition.	Purchase of air fragrance products by Vanzo Asia from Foshan Ikeda	7,033,102 (45.3% of our Group's total purchases)	9,801,064 (51.8% of our Group's total purchases)	12,932,676 (56.9% of our Group's total purchases)	9,835,589 (58.1% of our Group's total purchases)	4,590,897 (1)(N/A)	
Guangdong Ikeda Car Accessories Co. Ltd	Vanzo Asia	Tang, YuQiang is a director and shareholder of Foshan Ikeda Freshener Co. Ltd.	Purchase of laundry care products by Vanzo Asia from Guangdong Ikeda Car Accessories Co. Ltd	-	-	-	486,558	447,321 (1)(N/A)	

9. RELATED PARTY TRANSACTIONS (*cont'd*)

Notes:

- (1) Not applicable as we did not prepare any financial statements from 1 July 2024 up to LPD.
- (2) Subsequent to the completion of the Acquisition, transactions with Foshan Ikeda and Guangdong Ikeda Car Accessories Co. Ltd will no longer be regarded as related party transaction.

As at the LPD, there are no related party transactions entered into but not yet completed.

In reviewing the related party transactions, our Board took note that we worked with Foshan Ikeda since incorporation. Our Promoters only invited Tang, YuQiang, the shareholder of Foshan Ikeda to invest in Vanzo Asia in June 2020. As such prior to June 2020, Tang, YuQiang was an independent party and was not a related party. After having considered the rationale and the cost/benefit to our Company, comparing the following:

- (i) prices of the products supplied by Foshan Ikeda when it was an independent entity;
- (ii) prices of the products supplied by other outsourced manufacturer; and
- (iii) payment terms.

Our Directors are of the view that the related party transactions above were carried out in the best interest of our Group on an arm's length basis, competitive commercial terms not more favourable to the related parties and were not to the detriment of our minority shareholders as the purchases of products from the related parties were performed within the cost structure and market rates, whereby the price paid to the related parties are in line and/or on terms equivalent to those that prevail in an arm's length transaction with third parties.

Moving forward, if there are potential related party transactions, the related parties must first inform our Audit and Risk Management Committee on their interests in the transaction and the nature of the transaction before the transaction is entered into.

Our Audit and Risk Management Committee is responsible for the review of all related party transactions to ensure that there is no conflict of interest. Our Audit and Risk Management Committee shall deliberate and determine if the related party transactions (if any) are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered by all related parties are fair and reasonable and comparable to those offered by third parties; or
- (ii) In the event that quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at general meetings of our Company. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

9. RELATED PARTY TRANSACTIONS (cont'd)

(b) Other related party transactions

- (i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) The rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transaction that requires prior approval of shareholders, the Directors, major shareholders and/or persons connected to them, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transaction, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosures in our annual report with regards to any related party transaction entered into by us.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party during Period Under Review and the subsequent period up to the LPD.

9.3 LOANS MADE TO AND FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTIES

As at LPD, there are no loans made to and financial assistance provided for the benefit of the related parties for the Period Under Review and the subsequent period up to the LPD.

9.4 LOANS AND/OR FINANCIAL ASSISTANCE FROM RELATED PARTIES TO OUR GROUP

As at LPD, there are no loans and/or financial assistance received by our Group from any related parties for the Period Under Review and the subsequent period up to the LPD.

9. RELATED PARTY TRANSACTIONS (cont'd)

9.5 OTHER TRANSACTIONS

9.5.1 Personal and corporate guarantees

As at LPD, the following individuals have jointly and severally provided personal guarantees for the banking and financing facilities extended by the following financial institutions ("Financiers") to our Group. The banking and financing facilities are generally for working capital purposes. The details of the banking and financing facilities are set out below:

Financiers/ Borrower	Guarantor	Type of facility	Tenure	Facility Limit		Outstanding balance as at the LPD
				RM	RM'000	
Maybank Islamic Berhad	Allan, Michael and Lim Chee Lip	(1) Term loan for working capital	5 years	500,000	267	
	Allan, Michael and Lim Chee Lip	(2) Trade facilities for working capital	5 years	900,000	502	
	Allan, Michael and Lim Chee Lip	(3) Trade facilities for working capital	5 years	5,000,000	3,867	
	Allan, Michael and Lim Chee Lip	(4) Trade facilities for working capital	5 years	8,000,000	-	
United Overseas Bank (Malaysia) Berhad	Allan and Michael	(1) Term loan for working capital	5 years	1,000,000	503	
RHB Bank Berhad	Allan and Michael	(1) Term loan for working capital	7 years	388,000	216	
RHB Islamic Bank Berhad	Allan and Michael	(1) Term loan for working capital	7 years	750,000	559	
		(2) Overdraft facilities for working capital	5 years	750,000	599	
OCBC (Malaysia) Berhad	Allan and Michael	(1) Trade facilities for working capital	-	1,000,000	-	

9. RELATED PARTY TRANSACTIONS (cont'd)

In conjunction with our Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors and the respective guarantors set out above will continue to guarantee the banking facilities extended to our Group.

As at the date of this Prospectus, we have received all conditional approvals from the Financiers to discharge the above guarantees by substituting the same with a corporate guarantee from Vanzo.

The Financiers have imposed conditions that the discharge is conditional upon the completion of the Listing and execution and perfection of a corporate guarantee by the Company.

9.5.2 Promotions of any material assets acquired/to be acquired within 3 financial years preceding the date of this Prospectus

None of our Directors or substantial shareholder had any interest, direct or indirect, in the promotion of or in any material assets which had been, within Period Under Review, acquired, disposed or leased or proposed to be acquired, disposed or leased to/by us.

9.5.3 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities which is the Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (i) Agreement between Vanzo and M&A Securities for the appointment of M&A Securities as Principal Adviser, Sponsor, Underwriter and Placement Agent; and
- (ii) Underwriting Agreement entered into between our Company and M&A Securities for the underwriting of 46,676,000 Issue Shares.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND OUR SUPPLIERS

Save as disclosed below, during the Period Under Review and up to LPD, none of our Directors or substantial shareholder have or has any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade or are the customers and/or suppliers of our Group.

Foshan Ikeda and Guangdong Ikeda Car Accessories Co. Ltd (“Guangdong Ikeda”)

Tang, YuQiang, the substantial shareholder of Fragrance Century, is the sole shareholder and legal representative of Foshan Ikeda, our Group’s supplier, outsourced manufacturer and co-formulator for air fragrance products since incorporation. Guangdong Ikeda is a subsidiary of Foshan Ikeda. Foshan Ikeda holds 95.0% equity interest in Guangdong Ikeda. Tang, YuQiang is also our substantial shareholder for the period from June 2020 until the completion of the Acquisition.

Purchases made from Foshan Ikeda (including purchases from Shenzhen Bai Xiang Hui Technology Co. Ltd, also the major supplier, as the products purchased from Shenzhen Bai Xiang Hui Technology Co. Ltd are also supplied by Foshan Ikeda) ranged between 58.1% to 82.1% of our Group’s total purchases during the Period Under Review. There were no purchases made from Guangdong Ikeda during the Period Under Review as Guangdong Ikeda only commenced business in October 2023.

Foshan Ikeda is principally engaged in the manufacturing of various air fragrance products. It is an original equipment manufacturer for various brands of air fragrance products. Guangdong Ikeda is also an original equipment manufacturer for various brands of air fragrance and fragrance-related products. Apart from being an original equipment manufacturer, Foshan Ikeda also manufactures its own brand of air fragrance products, “Ikeda”.

Our Board is of the view that the any existing or potential conflict of interest situation arising from the involvement and interests of Tang, YuQiang in Foshan Ikeda and Guangdong Ikeda have been mitigated due to the following:

- (i) Foshan Ikeda and Guangdong Ikeda are principally manufacturers of air fragrance and fragrance-related products for various brands worldwide, whereas our Group’s business focus is in the design, marketing and sale of our Group’s own brand “Vanzo” air fragrance and fragrance-related products. The revenue from the distribution of “Ikeda” brand air fragrance products globally represented 15.0%, 18.2% and 19.3% of Foshan Ikeda’s total revenue for 2021, 2022 and 2023 respectively. The “Ikeda” brand of air fragrance products was previously sold to 1 retailer in Malaysia until the arrangement ceased in May 2024, and the distribution of “Ikeda” brand air fragrance products in Malaysia represented only 1.8%, 2.5% and 2.9% of Foshan Ikeda’s total revenue for 2021, 2022 and 2023 respectively. In addition, “Vanzo” brand products contributed to 23.2%, 23.7% and 33.9% of Foshan Ikeda’s total revenue for 2021, 2022 and 2023 respectively.

Both Foshan Ikeda and Tang, YuQiang had on 7 May 2024 provided confirmation and undertaking that, so long as Foshan Ikeda remain as our supplier, both Foshan Ikeda and Tang, YuQiang will:

- (aa) cease the selling and distribution of all “IKEDA/香道尔” brand air refreshers and fragrance-related products in Malaysia through all distribution channels⁽¹⁾;

10. CONFLICT OF INTEREST (cont'd)

- (bb) not engage in any business activities that would directly compete with our business in Malaysia in any manner, specifically the selling and distribution of the "IKEDA/香道尔" brand relating to air refresheners and fragrance-related products;
- (cc) not engage any agents, representatives and/or proxies to sell and distribute "IKEDA/香道尔" brand air refresheners and fragrance-related products in Malaysia through all distribution channels; and
- (dd) not promote the "IKEDA/香道尔" brand in Malaysia.

Guangdong Ikeda had also via the agreement with Vanzo dated 5 May 2024, provided the above confirmations and undertakings.

Note:

- (1) Although Foshan Ikeda and Guangdong Ikeda will not sell in Malaysia, there could be instances that their customers outside Malaysia may bring their products to Malaysia without their knowledge.
- (ii) Our Group's main target customers are consumers, retailers, distributors and resellers whereas Foshan Ikeda and Guangdong Ikeda's customers mainly comprise brand owners of air fragrance products;
- (iii) Tang, YuQiang does not hold any executive roles in our Group and is not involved in the day-to-day operations of our Group. Tang, YuQiang is merely a shareholder of our Company through his interest in Fragrance Century and is not involved in the procurement decisions made by our Group;
- (iv) Upon completion of the Acquisition, Tang, YuQiang is no longer our substantial shareholder; and
- (v) Foshan Ikeda and Guangdong Ikeda and our Group have independent and standalone management team to undertake its day-to-day management and operations.

The Audit and Risk Management Committee has reviewed the transactions with Foshan Ikeda for the Period Under Review and will review all future transactions with Foshan Ikeda to ensure that all purchase made to Foshan Ikeda will be undertaken on an arm's length basis. In addition, our Group will also seek approval from shareholders for any related party transactions as required under the Listing Requirements.

Based on the Audit and Risk Management Committee's review, all transactions entered into with Foshan Ikeda during the Period Under Review and up to the LPD were conducted on an arm's length basis.

Details of the interests, shareholdings and directorships in other businesses of our Directors are disclosed in Section 5.2.2 of this Prospectus.

10. CONFLICT OF INTEREST (cont'd)

It is our Directors' fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nomination Committee will then:

- (a) immediately inform our Board of the conflict of interest situation;
- (b) make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board's deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board's discussion relating to the recommendation of our Nomination Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however, at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nomination Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group and our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 9.1 of this Prospectus for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

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10. CONFLICT OF INTEREST (*cont'd*)

10.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing.
- (b) Eco Asia Capital Advisory Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Financial Adviser for our Listing. Its scope of work as Financial Adviser includes the following:
 - (i) to conceptualise and advise on our Group's restructuring, equity and corporate structure in preparation for our Listing;
 - (ii) to assist our Group in compiling information and documents for our Listing;
 - (iii) to assist in reviewing and commenting on the draft documents prepared by the relevant advisers in relation to our Listing;
 - (iv) to liaise with all professionals and advisers involved in our Listing;
 - (v) to attend relevant meetings with us and the professionals and advisers in relation to our Listing; and
 - (vi) to assess and advise on any other issues relevant to our Listing.

The scope of work of our Financial Adviser as set out above for (i), (iii), (iv), (v) and (vi) are performed jointly with our Principal Adviser.
- (c) Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing.
- (d) Ecovis Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our Listing.
- (e) PROVIDENCE has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the IMR for our Listing.