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

(6) As at the LPD, the revenue for this project has been fully recognised based on cost incurred method. However, as at the LPD, it is still deemed as an on-going project because it is pending commissioning of the system in December 2024 as per customer's request. As at the LPD, the Ex solar PV system was delivered to the customer in October 2024.

(7) In the event that there is any delay in the projects which are expected to be completed by 2024, we will inform our customers the reason of delay through weekly meeting/email/written letter to our customers.

(The rest of this page is intentionally left blank)

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

6.5.3.3 Provision of power distribution systems

Overview

Power distribution systems function to receive incoming electricity and distribute the electricity to other distribution panels or user machinery, equipment or devices in an industrial plant.

Power distribution systems are used in every residential, commercial, industrial, and institutional building, facilities, or amenities to safely control the distribution of electrical power to users. Power distribution systems used in industrial facilities are often complex compared to those used for a residential home building. This is mainly due to the use of machinery and equipment in industrial plants/facilities on top of the normal utility for lighting, cooling, heating and operation of small appliances, devices and equipment.

The electrical power that comes from the nearest substation is firstly connected to a main switchboard in the premises. For most industrial and commercial complexes, the incoming power from the substation is low voltage power (between 100V to 1,000V) commonly between 400V to 450V. Switchgears are similar to switchboards except that they handle medium-voltage (between 1kV to 100kV), commonly at 33kV, 22kV, 11kV or 6.6kV. We provide only LV power distribution systems mainly for industrial applications.

While the main purpose of distribution systems is to distribute incoming power to various user machinery, equipment and devices, they also incorporate protection components and devices to prevent or stop unwanted surges or overcurrent that may harm machinery, equipment and devices, as well as harm lives and damage properties. These protection devices include, among others circuit breakers and overcurrent protection devices.

We design, fabricate, assemble and integrate the following types of power distribution system:

- Power distribution panels for industrial plants operating in a normal environment; and
- Ex switchracks for industrial plants/facilities that are operating in a potentially explosive and hazardous environment such as on offshore O&G platforms or in petrochemical plants.

In the provision of power distribution system, our full spectrum of work includes the following:

- design of the power distribution system;
- procure materials and electrical components;
- fabricate the enclosures (metal cabinet) or metal skids;
- assemble and integrate electrical components and devices into the enclosures or onto the metal skids including wiring; and
- test and commission the power distribution systems.

In some situations, we upgrade and retrofit the power distribution systems which may include some or all of the above functions. Meanwhile, installation works are commonly carried out by contractors appointed by our customers.

We fabricate and sell power distribution systems under third-party Siemen's SIVACON brand, as well as under our "Swift Energy" brand.

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

For the Financial Period Under Review, our revenue contributions for the provision of power distribution systems segmented by our brands and third-party brand are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	***%**	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**
Our "Swift Energy" brand	4,072	7.26	8,161	9.97	7,592	8.21	6,820	8.38
Siemens SIVACON S8 brand	7,681	13.69	9,705	11.86	10,484	11.35	13,765	16.90
Total provision of power distribution systems	**11,753**	**20.95**	**17,866**	**21.83**	**18,076**	**19.56**	**20,585**	**25.28**

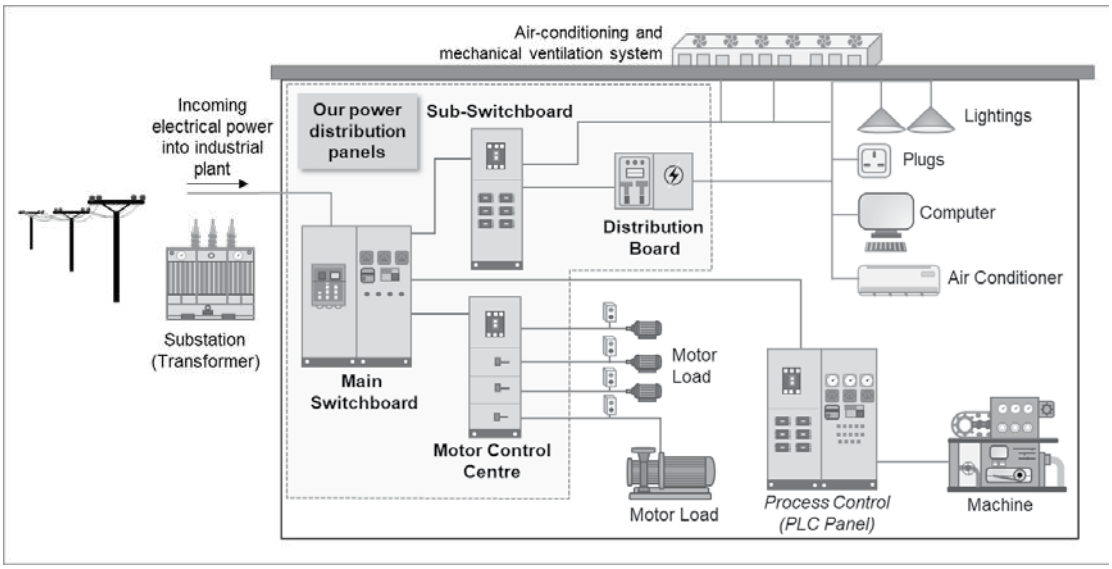
Note:

* Percentage of the total revenue of RM56.12 million, RM81.84 million, RM92.43 million and RM81.45 million for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

Power distribution panels (for normal environment)

We fabricate various types of power distribution panels including LV main switchboards, MCC panels, LV sub-switchboards and distribution boards. The following is an illustration of the types of power distribution panels used in an industrial setting that we fabricate.

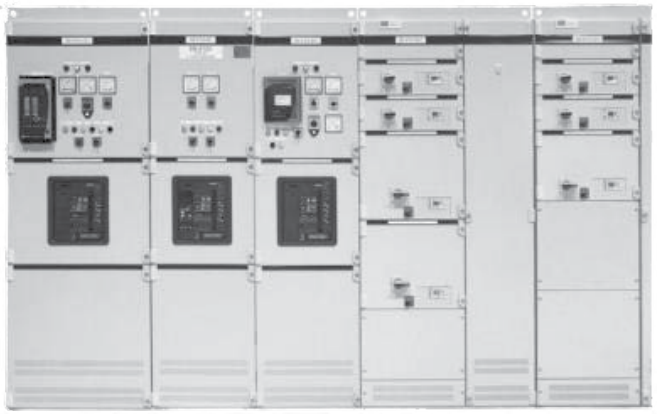
Types of power distribution panels that we fabricate



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

(a) LV main switchboard

Main switchboard



LV main switchboard is a power distribution panel that is directly connected to the main source of external electrical power. It functions mainly to distribute incoming power safely to other power distribution panels, other types of panels such as MCC and process control panels, as well as individual loads such as user machines, equipment and devices.

We fabricate LV main switchboards in accordance to Siemen's design and sold under the Siemens SIVACON brand, as well as our design, specification and brand.

Some of the key components of a main switchboard includes power monitoring devices, circuit breakers, switch disconnectors, emergency stop switches, busbar system, control transformers, capacitor bank, reactors, relays, ammeter and contactors.

(b) MCC panel

MCC panel is used to provide power and to control electric motors from a central location. It functions to control the starting, stopping and operational speed of electric motors as well as protect the motors from overcurrent, low voltage and any electrical faults. MCC panel is divided into multiple vertical enclosed compartments that are isolated from one another and having a main horizontal power busbar with vertical busbar to each compartment.

MCC panel

Busbar is a piece of copper metal bar for high-current power distribution. The busbar is commonly insulated. In an MCC panel, the busbar acts as the main medium to distribute power to all the electrical components and devices in the panel.

Each compartment in the MCC contains electrical components and devices such as contactors, motor starters, overload protection devices, fuses, circuit breakers and power disconnectors. MCC panels typically house VFD which is a type of motor controller that drives an electric motor by varying the frequency and voltage of its power supply according to specifications. It is most commonly used to control motors found in pumps, compressors, blowers and fans. In some cases, MCC panels also house PLCs and other process controllers.

We fabricate MCC panels in accordance to Siemen's design and sold under the Siemens SIVACON brand, as well as our design, specification and brand.

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

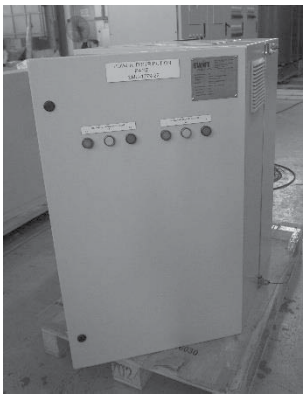
(c) LV sub-switchboards

LV sub-switchboard functions as the second level of power distribution where it takes incoming electrical power from the main switchboard and distributes the power to several distribution boards or directly to individual loads. We provide sub-switchboards with maximum voltage ratings ranging from 380V to 480V and maximum bus ratings ranging from 800A to 2,500A, and it is either floor or wall mounted.

We fabricate LV sub-switchboards in accordance to Siemen's design and sold under the Siemens SIVACON brand, as well as our design, specification and brand.

(d) Distribution boards

Distribution board



Distribution board is a second or third level of power distribution that distributes electrical power from either the main switchboard or sub-switchboard to individual loads.

We provide distribution board with maximum voltage rating ranging from 120V to 480V, maximum bus rating ranging from 63A to 630A and it is wall mounted.

We fabricate distribution boards in accordance to Siemen's design and sold under the Siemens SIVACON brand, as well as our design, specification and brand.

We also fabricate distribution boards in accordance to IEC 61439-2 and IEC 61439-3 standards. We received ASTA Type Certifications for our 250A LV distribution boards from Intertek Testing & Certification Ltd, UK. Our distribution board has undergone series of independent tests to demonstrate that its design complies with IEC standards. IEC 61439-2 applies to LV switchboards and controlgear assemblies while IEC 61439-3 standard applies to LV distribution board intended to be operated by ordinary persons. We also received the CE marking for the said distribution boards from Intertek which is a requirement for products to be sold in the EU. The CE marking indicates that the distribution boards have undergone independent tests and deemed to meet the EU safety, health and environmental protection requirements.

Typically, our customers in the O&G, utilities and marine industries would require type-tested power distribution boards. However, not all our customers will require type-tested distribution boards.

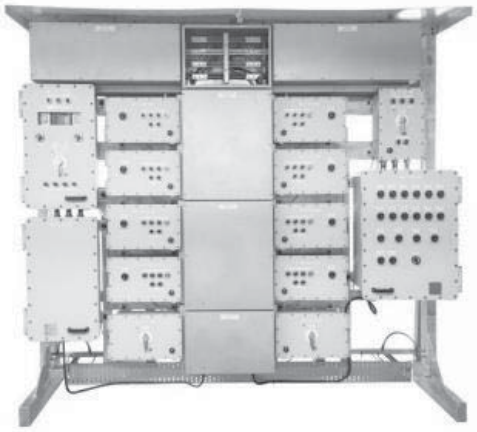
(The rest of this page is intentionally left blank)

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

Ex switchracks (for potentially explosive environment)

Ex switchracks are power distribution systems that is specially constructed to be explosive-proof and designed for distribution of electrical power to machinery and equipment in hazardous areas where the presence of flammable gases or vapours may be present, such as O&G operational facilities, petrochemical plants, fertiliser plants and wastewater treatment plants.

Ex AC/DC LV switchrack



Ex switchrack is an assembly of explosive proof junction boxes that house electrical components and devices such as busbars, controllers, circuit breakers, and motor starters mounted onto a freestanding metal structure.

We provide Ex switchracks for LV industrial applications including Ex AC/DC LV switchracks, MCC switchracks, and Ex distribution boards.

Ex distribution board

All our Ex switchracks are fabricated and assembled based on our design and sold under our "Swift Energy" brand.

Our Ex switchracks are IECEx and ATEX certified for Zone 1 and Zone 2 hazardous area application. Zone 1 is a hazardous area in which an explosive atmosphere is likely to occur occasionally in normal operation. Zone 2 is a hazardous area in which an explosive atmosphere is not likely to occur in normal operation, but if it does occur, it will persist for a short period only. These areas only become hazardous in case of an accident or some unusual operating condition. Our Ex switchracks has undergone series of independent tests to demonstrate that its design complies with the relevant IEC standards. Please refer to Section 6.1.2 (a) for the details of our IECEx and ATEX certifications.

We used a combination of internally fabricated and externally sourced IECEx and ATEX compliant electrical products for the assembly of our Ex switchracks.

(The rest of this page is intentionally left blank)

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

Our completed and on-going projects for power distribution systems

(a) Completed projects

The list of completed projects for power distribution systems since FYE 2021 and up to the LPD, with project value of RM1.00 million and above are as follows:

No.	Type of customer	End user industry	Project location	Type of power distribution system	[1]Start date	[2]Completion date	Project value (RM'million)
1.	Edible oil plant operator	Edible oil	Ghana	Siemen's SIVACON S8 LV switchboard	March 2021	October 2022	1.49
2.	EPCC company	O&G	China	Siemen's SIVACON S8 LV switchboard	June 2021	October 2021	2.94
3.	Engineering company	Utilities	Philippines	Siemen's SIVACON S8 LV switchboard	November 2021	January 2023	2.04
4.	EPCC company	Utilities	Hong Kong	Siemen's SIVACON S8 LV switchboard	January 2022	March 2024	5.89
5.	Engineering company	O&G	Malaysia	AEG's LV switchboard motor starter upgrade and integration work to Siemen's S7 IMCS system	December 2021	April 2022	1.37
6.	EPCC company	O&G	Philippines	Swift Energy's distribution board	February 2022	January 2023	1.59

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

No.	Type of customer	End user industry	Project location	Type of power distribution system	[1]Start date	[2]Completion date	Project value (RM'million)
7.	O&G production platform operator	O&G	Malaysia	Swift Energy's Ex LV switchracks	October 2022	August 2023	1.82
8.	Engineering company	O&G	Malaysia	Swift Energy's LV switchboard	May 2022	January 2023	3.45
9.	Vegetable oil plant operator	Edible oil	Malaysia	Siemen's SIVACON S8 LV switchboard	April 2022	November 2023	2.70
10.	EPCC company	O&G	Malaysia	Swift Energy's Ex distribution board	April 2023	March 2024	2.21
11.	EPCC company	O&G	Malaysia	Swift Energy's Ex LV switch racks and Ex distribution boards	September 2023	April 2024	1.23
12.	EPCC company	Utilities	Malaysia	Siemen's SIVACON S8 LV switchboard	September 2023	May 2024	7.80

Notes:

(1) Based on the date of purchase order.

(2) Based on the date of delivery of goods, vessel date or goods receipt by customer.

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

(b) On-going projects

The list of ongoing projects for power distribution systems as at the LPD, with project value of RM1.00 million and above are as follows:

No.	Type of customer	End user industry	Project location	Type of power distribution system	[1]Start date	Expected completion date	Project value (RM'million)	[5]Approximate stage of completion	[6]Order book (RM'million)
1.	EPCC company	O&G	Thailand	Swift Energy's Ex distribution board	[2]December 2021	[2]December 2026	11.21	68%	3.60
2.	Equipment manufacturer	Utilities	Hong Kong	Siemen's SIVACON S8 LV switchboard	June 2022	[3][7]January 2025	3.26	100%	-
3.	Engineering company	Utilities	Singapore	Siemen's SIVACON S8 LV switchboard	October 2023	[3]March 2025	19.03	19%	15.50
4.	Engineering company	O&G	Malaysia	Siemen's SIVACON S8 LV switchboard	June 2024	[4][8]December 2024	1.39	-	1.39
5.	Engineering company	Semiconductor	Malaysia	Swift Energy's Ex distribution board and MCC	October 2024	[4][9]December 2024	1.71	-	1.71
6.	EPCC company	O&G	China	Siemen's SIVACON S8 LV switchboard	November 2024	[4]April 2025	2.27	-	2.27

Notes:

[1] Based on the date of purchase order.

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

(2) Based on the commencement and completion date of the framework agreement.

(3) Based on revised commissioning date upon verbal agreement with customer.

(4) Based on the delivery date stated in the purchase order.

(5) Based on the percentage of cost incurred method.

(6) Refer to the outstanding value of on-going projects less revenue recognised up to the LPD.

(7) As at the LPD, the revenue for this project is fully recognised based on the cost incurred method. However, as at the LPD, it is deemed as an on-going project because the LV switchboard is pending delivery to Hong Kong. As at the LPD, the FAT approval has been completed and we are still awaiting for the customer to approve the final documentation and payment before delivery by January 2025 after which commissioning works is expected to be performed in the same month.

(8) Although as at the LPD, the project has not incurred any cost, however, design drawing had started. As at the LPD, we are on track to complete and deliver the system to our customer by the end of December 2024. In the event that there is any delay in the project which are expected to be completed by 2024, we will inform our customer the reason of delay through weekly meeting/email/written letter to customer.

(9) As at the LPD, the project has not incurred any cost. However, there are no delays and we are on track to complete and deliver the system to our customer by the end of December 2024. In the event that there is any delay in the project which are expected to be completed by 2024, we will inform our customer the reason of delay through weekly meeting/email/written letter to customer.

(The rest of this page is intentionally left blank)

6.5.3.4 Provision of other systems

We also design, fabricate, assemble, and integrate other systems using our Ex certified products and systems for hazardous area such as offshore O&G platforms.

For the Financial Period Under Review, we have provided the following explosive-rated systems to our customers in the O&G industry:

- Ex navigational aids system;
- Ex battery charger;
- Ex diesel powered generator system; and
- Ex silicone fluid transformer system.

These systems may be supplied to our customers as auxiliary systems together with our Ex solar PV systems and Ex switchracks, or as standalone systems.

(a) Ex navigational aid system

Ex navigational aid system is a signalling device installed on offshore structures to provide visibility of the structure from all angles in all weather conditions. We offer navigational aid system certified for Zone 1 and Zone 2 hazardous areas.

We provide the option of a centralised system with AC/DC power source or standalone system with solar power supply.

Ex navigational aids system with solar power supply

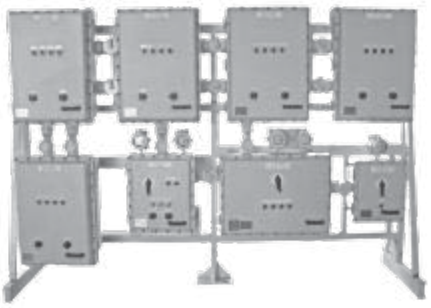
(b) Ex battery charger

Ex battery charger functions to ensure battery is always charged-up for continuous operation of critical equipment.

It is an assembly of electrical equipment including LV busbar junction box, terminal junction box, wires, stoppers and connectors contained in an explosion proof enclosure.

Our Ex battery charger is ATEX and IECEx certified for Zone 1 and Zone 2 hazardous area application.

Ex battery charger



We use combination of internally fabricated and externally sourced ATEX and IECEx compliant equipment and we can provide customisable configuration up to 800A.

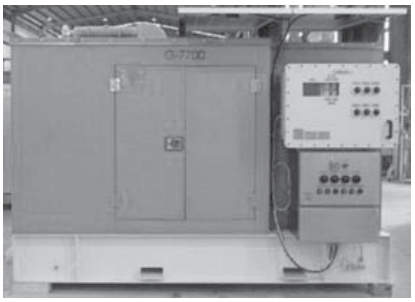
6. INFORMATION ON OUR GROUP *(Cont'd)*

(c) Ex diesel-powered generator system

A diesel generator is a device that uses diesel engine to convert diesel fuel to electrical energy.

Our Ex diesel generator system is designed and assembled with our Ex certified products such as battery enclosure and battery charger and equipped with solar PV panels to provide auxiliary power to the diesel generator system.

Ex diesel generator system

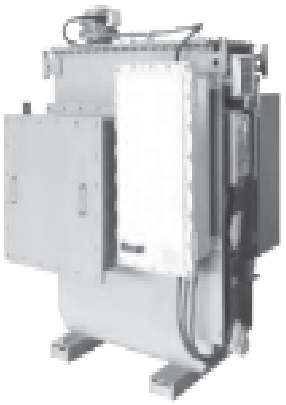


(d) Ex silicone fluid transformer system

Silicone fluid filled transformer is a type of transformer that uses silicone oil as the coolant and insulator.

Our Ex silicone fluid filled transformer is designed and assembled with our Ex certified products such as junction boxes, while the transformer unit is sourced from an external equipment manufacturer. We provide ratings from 415V to 11kV, and from 10kVA to 3MVA.

Ex Silicone fluid filled transformer



(The rest of this page is intentionally left blank)

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

Our completed and on-going projects for other systems

(a) Completed projects

The list of completed projects for other systems since FYE 2021 and up to the LPD, with project value of RM1.00 million and above are as follows:

No.	Type of customer	End user industry	Project location	Type of other system	[1]Start date	[2]Completion date	Project value (RM'million)
1.	EPCC company	O&G	Malaysia	Ex diesel-powered generator system	February 2023	January 2024	1.30
2.	EPCC company	O&G	Malaysia	Ex diesel-powered generator system	February 2023	January 2024	1.30
3.	EPCC company	O&G	Malaysia	Ex diesel-powered generator system	February 2023	January 2024	1.30

Notes:

(1) Based on the date of purchase order.

(2) Based on the date of goods receipt by customer.

(The rest of this page is intentionally left blank)

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

(b) On-going projects

The list of ongoing projects for other systems as at the LPD, with a project value of RM1.00 million and above are as follows:

No.	Type of customer	End user industry	Project location	Type of other system	[1]Start date	Expected completion date	Project value (RM'million)	[4]Approximate stage of completion	[5]Order book (RM'million)
1.	EPCC Company	O&G	Thailand	Ex navigational aids system	[2]December 2021	[2]December 2026	3.31	68%	1.06
2.	EPCC company	O&G	Malaysia	Ex silicone fluid transformer system	February 2024	[3][6]November 2024	2.84	100%	-
3.	EPCC company	O&G	Vietnam	Ex transformer	September 2024	[3][7]April 2025	3.84	-	3.84

Notes:

(1) Based on the date of purchase order.

(2) Based on the commencement and completion date of the framework agreement.

(3) Based on delivery date stated in the purchase order.

(4) Based on the percentage of cost incurred method.

(5) Refer to the outstanding value of on-going projects less revenue recognised up to the LPD.

(6) As at the LPD, we are on track to complete and deliver the system to our customer by the end of November 2024. Subsequent to the LPD, we delivered the system to our customer on 19 November 2024 and the project is completed.

(7) As at the LPD, the project has not incurred any cost and we have not commenced the design drawing yet.

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

6.5.3.5 Distribution of power and industrial electrical products

Overview

We distribute a range of electrical products used for power distribution, control, monitoring, regulation, and protection, as well as for automation mainly for industrial facilities, machinery and equipment.

We are a distributor of the following types of power and industrial electrical products:

- industrial automation and process control devices;
- power control, distribution and protection devices;
- NER;
- transformers; and
- other related products and accessories.

We mainly distribute third-party brand products as well as a small proportion of our brand of products. Some of the third-party brands are distributed based on Authorised Distributorships. We also have our brand of electrical product. The distribution of power and industrial electrical products is synergistic to our provision of industrial automation and power systems segment as we use many of these products in our fabrication process.

We are an Authorised Distributor for third-party brands of power and industrial electrical products including Cressall, Danfoss, DOMO, Emerson, IDEC, Novaris, Seneca, Siemens, Wieland and UIC. We also distribute our SWIFTTECH brand of industrial temperature sensor and control devices.

For the Financial Period Under Review, our revenue contributions segmented by product categories are as follows:

Distribution of power and industrial electrical products	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FPE 2024**	
	RM'000	***%**	**RM'000**	***%**	**RM'000**	***%**	**RM'000**	***%**
Industrial electrical products	8,632	15.38	10,432	12.74	11,790	12.75	7,899	9.70
NER	2,185	3.89	4,238	5.18	3,936	4.26	141	0.17
Transformers	1,644	2.93	1,056	1.29	109	0.12	92	0.11
Other related products and accessories	1,614	2.88	1,603	1.96	1,303	1.41	1,719	2.12
Total of distribution of power and industrial electrical products	**14,075**	**25.08**	**17,329**	**21.17**	**17,138**	**18.54**	**9,851**	**12.10**

Note:

* Percentage of total revenue of RM56.12 million, RM81.84 million, RM92.43 million and RM81.45 million for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

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

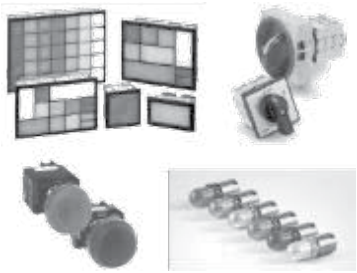
Products

(a) Industrial automation and process control devices

Industrial automation and process control devices form part of the process control system. Some of our range of industrial automation and process control devices that we distribute includes PLC, RTU, control and signal lights, as well as control switches. These products are purchased from third parties and we will resell them as is without modification.

PLCs

RTUs and other controllers



Lights and switches

(b) Power control, distribution and protection devices

Power control, distribution and protection devices form part of the power distribution panel system. Some of our range of power control, distribution and protection devices includes circuit breakers, relay, surge protection devices and terminal blocks. These products are purchased from third parties and we will resell them as is without modification.

Circuit breakers and relays

Terminal blocks

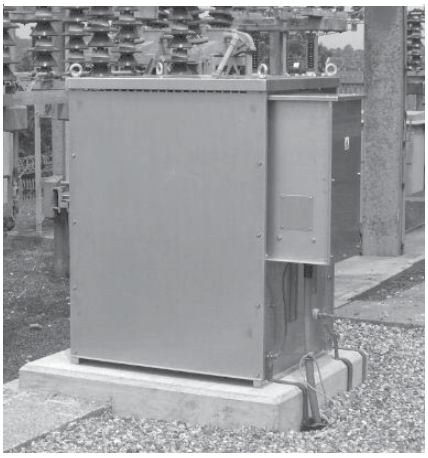
(c) NER

NER, also known as neutral grounding resistors, are designed to detect and limit neutral earth fault currents. NER reduces neutral earth fault current to a maximum pre-determined value that avoids a power network shutdown and damage to equipment, and yet allows sufficient flow of current to activate protection devices to locate and clear the fault.

NER absorbs and dissipate huge amount of energy for the duration of the fault event without exceeding the temperature limitations.

We are an Authorised Distributor for Cressall Resistors Limited, a manufacturer of electrical power resistors including NER, among others.

NER



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

(d) Transformers

Transformer is an electrical equipment that functions to change the voltage of electricity flowing in the circuit. Step-up transformers are used to increase the voltage of electricity, while step-down transformers are used to reduce the voltage of electricity in AC circuits.

We provide cast resin transformers, otherwise known as dry type transformer. It requires normal air or forced fan ventilation to cool the electrical core and coils.

We are an Authorised Distributor for UIC, a manufacturer of cast resin transformers.

Cast resin transformers

(e) Other related products and accessories

Other related products and accessories that we sell includes enclosures and boxes, as well as panel accessories such as cooling fans, thermostat and enclosure lamps.

Authorised distributorships and our brand

As at the LPD, we are the Authorised Distributor* for the following material third-party brands of electrical products:

Brand owner/ Principal	Brand	Products covered	Territory	Subsidiary
Cressall Resistors Limited	*Cressall*	Resistors and resistor banks	Malaysia, Laos, Vietnam, Thailand, Myanmar, Indonesia, Brunei and Cambodia	SESB
Danfoss A/S	*Danfoss*	Power electronics and drives products	Malaysia	SESB
DOMO S.r.l	*DOMO*	Signalling and control devices	Malaysia	SASB
Emerson Automation Solutions Intelligent Platforms Asia Pacific Pte. Ltd.	*Emerson*	Core control and software	Malaysia	ALR
Emerson Automation Solutions Intelligent Platforms (Shanghai) Co., Ltd	*Emerson*	Core control and software	China (Grain and oil industry)	Chongqing Swift China

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

Brand owner/ Principal	Brand	Products covered	Territory	Subsidiary
IDEC Izumi Asia Pte ltd	*IDEC*	Industrial control and automation products	Malaysia	SASB
Novaris Technologies (M) Sdn Bhd	*Novaris*	Electrical surge protection products	Malaysia and Thailand	SASB and SE Thailand
Seneca s.r.l	*Seneca*	Industrial automation products	Malaysia	SASB
Unelectra International Corp	*UIC*	Cast resin transformers, containerised substation and electrical busduct system	Malaysia (Petrochemical, O&G industry)	SEOG
Wieland Electric GmbH	*Wieland*	Automation technology products	Malaysia	SASB

Note:

* In the context of this Prospectus, it refers to our status with some brand owners or principals where we have entered into formal agreements, or received letters of confirmation or certificates to distribute the said brand owners' or principals' products. It may also refer to our status as agents, distributors and resellers.

Some of the Authorised Distributorships held by our subsidiaries have a validity period and are subject to annual renewal upon its expiry, while some of the Authorised Distributorships have no expiry date and is subject to cancellation by either party.

We also distribute our own brands of electrical products as follows:

Our brand	Products covered
SwiftTech	Industrial temperature sensor, heating and control devices

6.5.3.6 Provision of technical services

As part of our provision of industrial automation and power systems, we provide technical services mainly to existing and past customers. Some of these technical services includes:

- maintenance services;
- upgrading and replacement of parts and components;
- site installation supervision;

- testing and commissioning works;
- upgrading of software; and
- ad-hoc repair, troubleshooting and rectification works.

As at the LPD, we have 2 on-going maintenance contracts for Ex solar PV systems and LV switchboard which are effective for 3 years. The maintenance contract for Ex solar PV systems is valid from 15 August 2023 until 14 August 2026, while the maintenance contract for the LV switchboard is valid from 15 April 2022 until 14 April 2025. The maintenance contract is a unit rate contract with no specified contract value as the scope of work cannot be accurately determined at the point of securing the contract. Our customers will issue work orders during the duration of the contract which will then specify the scope of work and value. There is no assurance that our customers will issue any work order during the validity period of our maintenance contract.

6.5.4 Mode of operations

(a) Agreements and purchase orders

Our mode of operation is mainly based on purchase orders. Generally, we do not have any long-term contracts or purchase agreements with our customers, except for some maintenance contracts as well as our contract secured from an EPCC company in Thailand.

For customers based on purchase orders, the purchase orders will specify the system or product type, specification, quantity and agreed price, as well as other terms such as delivery and installation location, delivery schedule and payment terms.

For our contract with the EPCC company in Thailand, it is based on a fixed lump sum contract. The contract specifies the duration of the contract, the number of systems, the agreed prices of materials and services, and the delivery schedule of each system. During the contract period, the customer will issue purchase orders which will specify the location for the installation of the system and the value of PO based on the required quantity of systems. With the customer's contract, the customer is obligated to issue purchase orders up to at least the fixed lump sum indicated in the contract.

For our maintenance contract, it is based on a unit-price contract. The contract specifies the duration of the contract, types of materials and services within the scope of the contract, and the agreed unit price for a list of materials and hourly charge rate for different levels of personnel for the provision of services. During the contract period, the customer will issue work orders which will specify the scope of maintenance works and the pricing will depend on the quantity of relevant materials used and the relevant labour charges.

(b) Payment terms

For our provision of industrial automation and power systems, in most cases, we request for advanced payment of 10% to 30% of the value of the purchase order upon issuance of the purchase order. This is the case for projects that was secured via tender as well as request for quotations by customer.

Upon delivery of systems and panels to customers, we will invoice the remaining amount up to 90% to 95% of the total purchase order value. Subsequently, the next 5% to 10% will be invoiced upon installation and/or fulfilment of Site Acceptance Test (SAT) of systems. In some cases, the invoices for the remaining 5% to 10% will not

be paid immediately but will be kept as retention sum for a period mainly up to 12 months.

For the supply of related products and services, we will invoice our customers upon delivery of products or services rendered.

(c) Defect liability period and product warranty

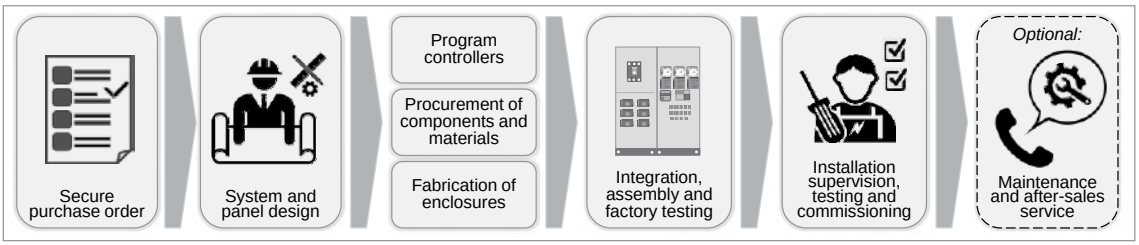
For our provision of industrial automation and power systems, we typically provide defect liability period of up to 12 months for services rendered to our customers. We are responsible for making good any defects or faults that may occur during the defect liability period. Meanwhile, for industrial electrical products and devices used in the systems or panels, we have a back-to-back warranty period with the respective suppliers.

For the distribution of power and industrial electrical products, our product warranty is based on a back-to-back warranty period with the respective suppliers, which is for 12 months.

6.5.5 Process flows

6.5.5.1 Provision of process control systems

Our general process flow for the provision of process control systems is depicted as follows:



Secure purchase order

Our process typically begins with customer providing a request for quotation where the customers will provide specifications for their operating environment. Based on the customers' specification, we will provide a quotation which will mainly specify the proposed type, brand and quantity of product/system and proposed pricing. Once customers have confirmed and agreed to the quotation, they will issue a purchase order for us to fulfil. The purchase order will specify the type, brand and quantity of product/system, the agreed price and other terms such as delivery and installation location, delivery schedule and payment terms.

Orders that are secured by our Malaysia, Thailand and Singapore operations from customers in Malaysia and in foreign countries are handled by our operational facility in Malaysia.

Depending on the project size and volume, the typical timeframe taken to complete and deliver a process control system project upon securing purchase order is approximately 3 to 6 months for small-sized projects (i.e. less than RM1 million), and approximately 5 to 8 months for larger projects (i.e. more than RM1 million). We conduct weekly meetings or communicate via email with our customers to keep each other updated on the timeframe and any potential delays.

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

System and panel design

Upon securing the purchase order, we will commence with the system and panel design. Our system design process begins with a system requirement study to understand the processes that take place in a manufacturing or processing plant. Our team of systems engineer would then define the control objective, draw up preliminary processes as well as determine all external input and output data and the devices to be connected with the programmable controllers. Some key elements for consideration during the system design include the operating parameters, hazardous conditions, monitoring and measurement devices, actuators, control logic, redundancy system, as well as the design of the plant and equipment.

Based on the system design, our team mechanical and electrical design engineers will carry out the design of the process control panels, guided by the customer's specifications. Our panel design includes:

- conceptual drawings such as an overview of circuit design, the general arrangement of components and devices, AC and DC distribution, control and protection logic diagram, panel fabrication drawings and assembly drawings;
- schematic diagrams such as cable and wiring schedule, device schedule, block diagram, cross-references and bill of materials;
- AC and DC load calculations;
- current and voltage transformer calculations; and
- inspection and test plan.

Procurement of components and materials

We procure all relevant materials and components including among others, metal sheets, fuses, circuit breakers, protection devices, connectors and cables from external parties, save for enclosures which we would fabricate in-house based on the specified design. We also procure all the relevant process control hardware, equipment and devices such as SCADA, DCS, PLC, RTU and HMI. All incoming materials, components and process controllers and related devices undergo inspection and quality control checks.

Programming

Our team of systems engineer will carry out programming of the process controllers and related devices such as those for SCADA, DCS, PLC, RTU and HMI based on system design and functional specifications. Depending on the application we may need to program the whole master controller such as SCADA or DCS. We will also program the PLC and RTU for each sub-segment or localised area of a total process control system. Where required, we will also program the HMI to cater for the input and output of data. We would also need to program the communications linkages to all devices within a local area network (LAN) and/or wide area network (WAN) for system communications.

Some of the programming work is done on a computer and subsequently downloaded on to the relevant hardware or devices. The programming is mainly focused on logic control programming for reading input data, processing the data and producing output data accordingly. Input data are commonly obtained from sensors or instrumentations placed at strategic locations of the plant or equipment while output data are sent to actuators to produce an action, such as turning on a valve, as well as sent to HMI and displays at the command-and-control centre for operators to view the data in real time.

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

Unit testing for each device is carried out independently. Once all the devices have been successfully tested at their respective unit level, they would be integrated into the system, tested and verified to ensure that all features are functioning properly in accordance with the system's design and specifications. Systems testing is carried out based on documented testing routines to validate the performance of the system. Test results are documented and any defects and weaknesses are fixed in the respective program before the system is re-run and tested again. The testing will continue until no errors or weaknesses are evident.

Fabrication of enclosures

For our operational facility in Malaysia, we fabricate various types of metal enclosures including cabinets, panels and junction boxes at our operational premises. The main purposes of the enclosures are to house all the relevant electrical components, devices, cables, and wires safely, and protect them from damage or contamination from external elements as well as accidental contact with people or materials.

The fabrication process for enclosures is depicted below:

The fabrication process for enclosures begins with metal sheets made of mild steel or stainless steel, sourced from domestic suppliers. The metal type selected is based on the applications and operating environment, and is subjected to engineering specifications.

Based on the drawings prepared during the design phase, we will shear (cut) the metal sheets to the specified dimensions using our shearing machine, followed by punching or drilling holes on the sheared sheets using computer numerical control (CNC) turret punching and laser cutting machine. These holes are for mounting components and connections at the assembly stage. The processed metal sheets are then bent at various places and angles to form the desired shape.

After achieving the desired dimensions and shapes, it would undergo welding of various metal parts such as hinges, frames, brackets and panel doors. The enclosure will then undergo a grinding process to remove grinding marks, excess welds, fine pits and surface imperfections. Next, the enclosure will be painted, powder coated or galvanized to protect the surface, as well as improve the aesthetics of the enclosure. An inspection will be carried out to ensure the enclosures are as per the drawings, before assembling parts and components into the enclosures.

For our operational facility in China, we procure the enclosures from external suppliers based on our specified design.

Integration, assembly and factory testing

For our operational facility in Malaysia, once the enclosures are fabricated, our technical personnel will carry out the integration and assembly including wiring all the controllers and electrical devices and components inside the enclosures. We also hire third-party subcontractors to work in our premise to carry out the integration and assembly including wiring works under our supervision. Our integration and assembly process typically involves 2 steps, comprising panel assembly/building and final electrical wiring works of all electrical and electronic components, parts, and products. The third-party subcontractors are hired to carry out both panel assembly/building, as well as final electrical wiring works, whenever their services are needed.

Panel assembly/building involves assembling all components together to form the process control panel. Equipment such as process controllers, motor controls, relays, switches, circuit protection

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

devices, and a variety of ancillary, interconnect, and electro-mechanical devices are positioned accordingly on the panel based on the drawings. The next assembly process is the electrical wiring works, mainly focused on wiring to connect all relevant components, including optimising the routing of all wires, cables and harnesses to optimally fit into the final assembly and the enclosures as well as taking into consideration operational and safety issues.

Testing is carried out during and after the assembly process by testing every component to ensure that they are mounted securely and functioning properly, and the wiring is based on the wiring schematic providing proper and safe connections.

The final assembled product goes through a series of visual inspections and testing upon completion. Visual inspection is mainly to check that the final system is properly assembled and there are no visual errors or imperfections including surface damages such as scratches or dents. Upon completion, a test plan is submitted to our customer for approval approximately 2 weeks in advance of the actual testing. A FAT is conducted jointly with a representative of our customer in our factory before delivery and installation at customer's site. We engage third-party logistics service providers for transportation of the equipment.

For our operational facility in China, we engage a third-party service provider to carry out the integration and assembly process based on our design and specification. Once the panel is assembled, our engineers in China will carry out Internal Acceptance Test at the third-party service provider's premise before customers are invited to witness the FAT at the same premise.

Site installation supervision, testing, and commissioning

In some cases, our scope of work involves installation supervision where our service engineer will supervise the installation of process control system.

Upon the completion of the installation, we will conduct a Site Acceptance Test (SAT) on the equipment and system before commissioning the process control system. The following steps are usually undertaken:

- validate that all components have been installed following electrical drawings, product specifications and other relevant specifications;
- individual test on all process control devices;
- ensure that the system is properly and safely integrated with the customer's electrical system; and
- detect and rectify any defects and problems with the installation.

Upgrade, system maintenance and after-sales services

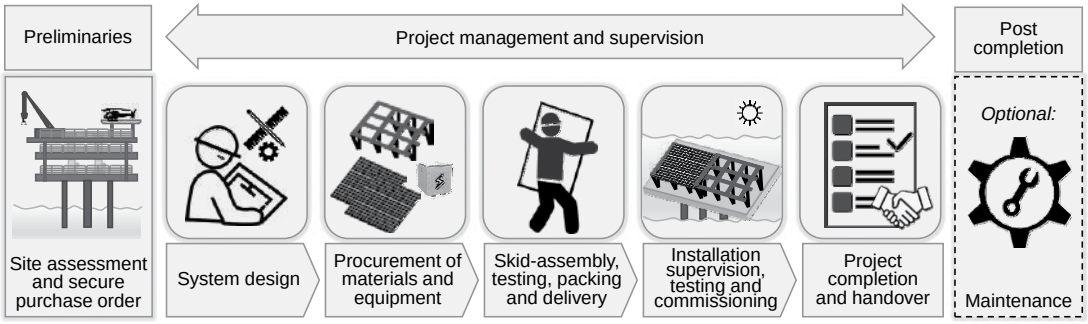
We provide optional technical services for the process control systems that we design, supply, and install based on the following arrangements, namely:

- as part of the design, supply and installation supervision purchase order;
- provide ad-hoc or emergency repair services as required; or
- upgrade of hardware and systems as required.

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

6.5.5.2 Provision of Ex solar PV systems

Our general process flow for provision of Ex solar PV systems is depicted as follows:



Site assessment and secure purchase order

Upon receiving the request for quotation from the prospective customer, we will carry out a site assessment to determine the site layout, on-site equipment and operating conditions for the Ex solar PV systems. All relevant parameters relating to the hazardous environment are assessed to determine the required level of reliability and safety. For O&G platforms, it is inconvenient for us to carry out physical site visits as these platforms are offshore located tens of kilometres and in some cases in excess of 100 kilometres from land. As such, our site assessments are based on studying the blueprint of the platform structure and location of various equipment.

The site assessment will provide pertinent data and information to enable us to carry out our costing and prepare the proposal for the prospective customer. Some of the main information in our proposal include the conceptual layout and specifications of the Ex solar PV modules and balance of system, warranty, project timeline and price. We mainly secure our purchase orders through proposals in response to call for quotations, or submission of bids in response to calls for tenders. For projects which are secured through a tender process, in some cases, we are required to provide a tender bond of RM2,000 to RM5,000. The Group only undergo a tender process for the provision of Ex solar PV systems projects and the Group has not secured any projects through a tender process for the provision of process control systems and power distribution systems.

All orders that are secured by our Malaysia, Thailand and Singapore operations are handled by our operational facility in Malaysia.

System design

Once we have secured the purchase order, we will commence the system design phase which is to carry out the engineering design and specification of the Ex solar PV systems, in accordance with the customer's requirements and based on the data obtained from the site assessment. This portion of our work is focused on developing the master plan and providing all the technical specifications, requirements, schedules and processes for the execution of the project.

Our engineering design and specification process includes the following:

- Developing schematic drawings and specifications of the Ex solar PV system. This includes determining the number of the Ex solar PV panels required to achieve the installed peak or generating capacity requirements, connections and cabling, row spacing, orientation and angle of inclination to achieve the optimum electricity generation as well as optimise the space allocated from the installation site.

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

- Apart from the Ex solar PV modules, the balance of system includes, among others, the following:

  - metal skid to mount and hold the Ex solar PV modules;
  - batteries and battery enclosure;
  - a solar charge controller that controls the flow of energy between modules, battery and load;
  - battery charger to charge the battery;
  - a distribution board for the DC circuit;
  - interconnection cabling;
  - junction boxes with fuses and relays; and
  - energy management and monitoring systems, if required.

All systems are suitable for installation in safe areas and hazardous areas such as Zone 1 and Zone 2 areas. The procurement list of the Ex solar PV modules and balance of system is drawn up based on the detailed engineering design and specification.

Procurement of materials and equipment

Based on the engineering design and specifications, we will procure the relevant materials and equipment from external suppliers and manufacturers. All incoming materials and equipment undergo inspection and quality control checks to ensure that they comply with specifications.

We fabricate the following types of products at our operational premises:

- solar PV panels, where we procure the solar modules from external parties and assemble them accordingly to form the solar PV panels;

- metal skids, where we design, and procure the input materials namely mild and stainless steel channels from external parties, fabricate and assemble them accordingly to form the metal skids. For mild steel, the formed metal skids will subsequently be cleaned through sandblasting, before applying surface coatings based on customer specifications.

- Ex junction box (increased safety), where we procure the input materials namely stainless steel plates from external parties, fabricate them accordingly to form the junction box.

- Ex junction box (flame proof), where we procure from external parties, and perform milling process to facilitate mounting of components and cable entry, as per the drawing and specifications.

- battery charger, where we design the system, procure the relevant materials from external parties, and assemble them accordingly to form the battery charger.

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

- Ex battery enclosure, where we design, procure the relevant materials and equipment from third parties, fabricate the enclosures, and assemble them accordingly to form the Ex battery enclosures.

- Ex switchrack, where we design, procure the input materials from third parties, fabricate and assemble them accordingly to form the switchrack.

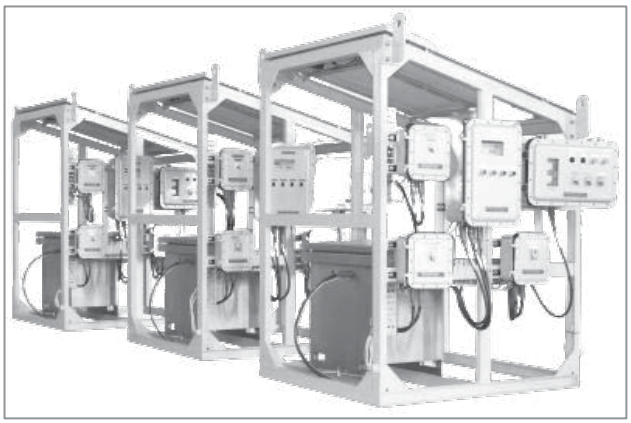
Solar PV modules and its balance of system are assembled and mounted onto different skids for installation at different parts of the O&G platform

Skid-assembly, testing, packing, and delivery

Our Ex solar PV systems are modular and secured onto several skids. Skids are metal frame structures to house equipment for ease and safety of transportation and subsequent connection to other equipment and are secured at the installation site.

Depending on the scale and layout of the Ex solar PV system, we may assemble and mount the solar PV modules and balance of system onto the same skid, or onto different skids for installation at different parts of the O&G platform. We do not outsource any works for Ex solar PV systems to third-party service providers.

Solar PV modules and its balance of system are assembled and mounted onto the same skid for installation onto O&G platform



After assembly, FAT is conducted jointly with a representative of our customer in our factory before delivery and installation at customer's site to ensure equipment functionality. Some key testing includes:

- equipment functional testing;
- battery discharge test and functional test;
- load monitoring testing;
- alarms and communication testing; and
- HMI programming and testing.

All equipment will be tested and verified against the technical specifications. Any incorrect components or devices mounted, or visually identified damaged goods due to manufacturing defects or handling issues will be replaced as soon as practical.

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

Once testing is done for each piece of equipment, we will pack the equipment accordingly for delivery to the installation site. For new O&G platform, delivery is to the customer's fabrication yard. For existing O&G platform, we deliver to the marine supply base and our customers, the EPCC companies, will make arrangement for the marine transportation of the equipment to the offshore O&G platform using offshore supply vessels.

Installation supervision, testing and commissioning

We are only responsible for supervising the installation of the Ex solar PV system at the customer's fabrication yard (for new O&G platform) or at the existing O&G platform. This is to ensure that technical specifications are met and that work is carried out in accordance with our work and safety procedures and practices.

Upon the completion of the installation, we will test the equipment and system before commissioning the entire Ex solar PV system. The following steps are usually taken:

- validate that the solar PV panels and balance of system have been installed in accordance with structural and electrical drawings, manufacturers' specifications and other relevant specifications;
- verify that the power generated is in accordance with design specifications and document the peak and overall power generating capacity;
- ensure that the system is properly and safely integrated with the platform's power system; and
- detect and rectify any defects and problems with the installation.

The final system test namely composite integrated site test is carried out by our certified technical personnel and witnessed by the customer and/or their representatives. Testing is completed once all of the identified problems are rectified. Upon successful testing, the Ex solar PV system will be commissioned.

Project completion and handover

Upon the completion of the commissioning of the Ex solar PV systems, we will officially hand over the systems to the customer together with all the relevant documents including the test and commissioning report, performance ratio test report, as-built documents, operational manuals and other relevant documents.

The typical project implementation period for Ex solar PV systems, from receiving orders to project handover and completion, is between 4 to 8 months.

Maintenance

We provide optional maintenance services for our Ex solar PV system that we design, supply, and install based on the following arrangements, namely:

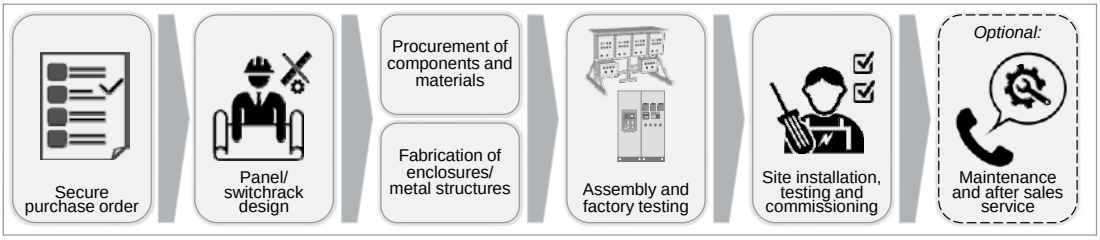
- as part of the design, supply and installation supervision purchase order;
- provide ad-hoc or emergency repair services as required;
- upgrade of hardware and systems as required; or
- maintenance service contract after the expiration of the defect liability period.

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

As at the LPD, we have 1 existing maintenance service contract after the expiration of the defect liability period.

6.5.5.3 Provision of power distribution systems

Our general process flow for provision of power distribution systems is depicted as follows:



The process is similar to "Provision of process control systems" described in Section 6.5.5.1 of the Prospectus, except for the following:

- programming of process controllers is not required for power distribution systems;
- our design for power distribution systems would only focus on the power distribution for different components and locations throughout the entire operating premises and facilities;
- components and materials procured would include devices that control the electrical flows including among others, transformers and relays, as well as protection devices such as circuit breakers and fuses. Meanwhile, for Ex switchracks and Ex distribution boards, additional materials procured would include explosion proof electrical products;
- for fabrication of Ex switchracks or Ex distribution boards, it would involve the fabrication of metal frame structures to house explosion proof junction boxes/enclosures and other electrical products; and
- site installation works for power distribution system are commonly carried out by contractors appointed by the customers.

For the provision of power distribution systems, we also engage third-party subcontractors to carry out the integration and assembly including wiring works in our premise under our supervision. The third-party subcontractors are hired to carry out both panel assembly/building, as well as final electrical wiring works, whenever their services are needed.

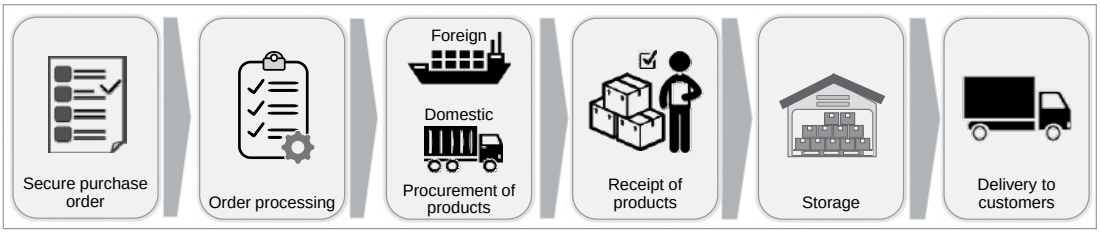
Depending on the project size and volume, the typical timeframe taken to complete and deliver a power distribution system project upon securing purchase order is approximately 4 to 6 months for small-sized projects (i.e. less than RM5 million), and approximately 6 to 8 months for larger projects (i.e. more than RM5 million). We conduct weekly meetings or communicate via email with our customers to keep each other updated on the timeframe and any potential delays.

(The rest of this page is intentionally left blank)

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

6.5.5.4 Distribution of power and industrial electrical products

Our general process flow for the distribution of power and industrial electrical products is depicted as follows:



Secure purchase order

Our distribution process typically begins with customer enquiries, where the customers will choose the products that they intend to purchase. Once customers have confirmed their choice of products, they will issue a purchase order for us to fulfil. The purchase order will specify the type, brand, quantity and price of the product, and other terms such as delivery location and schedule, as well as payment terms.

Order processing

Upon confirmation of purchase orders from customers, we will first check if we have stocks, as we carry certain stocks of commonly purchased products. If we do not have the requested items in stock, we will place orders from our suppliers.

Procurement of products

We source our brand and third-party products from domestic and foreign manufacturers and suppliers.

Imported products go through foreign custom clearance when the products are exported from their country of origin and any applicable export duties and tariffs are paid. Upon arrival in Malaysia, the products go through Malaysia's custom clearance and any applicable import duties and tariffs are paid. These products are then transported to our storage facility in Selangor.

Products that originate from Malaysia are normally transported from the manufacturers' factories or suppliers' warehouses or distribution centres to our storage facility.

Receipt of products

We receive the products at our storage facility where we carry out stock count, inspection and quality control. A stock count is conducted to ensure the quantity received is equivalent to the amount in the purchase order raised as well as the delivery order issued by the supplier. We also conduct a visual inspection to ensure there are no physical defects.

Storage of products

Products that have successfully passed inspection are entered as inventory into our enterprise resource planning (ERP) system. Products are stored at our storage facility until the scheduled delivery date.

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

Delivery to customers

All outgoing delivery will go through a final quality check before a delivery summary order is generated from our ERP system for the outgoing goods.

Upon receipt of goods, the customers will sign and stamp the delivery order as proof of delivery. Thereafter, our account managers will follow up to manage collections from their respective assigned customers and are responsible for conducting a periodic review of their assigned customers' credit limits and purchasing terms.

6.5.6 Technology used or to be used

The technologies that we use in our products and services are mainly in the following areas:

- programming;
- communications;
- single-line electrical drawing; and
- electrical principles and formulations.

Programming

We use various programming languages for our SCADA, DCS, PLC, RTU and HMI systems, as well as different application software provided by software manufacturers or developers. The choice of application software will be based on the customer's operating environment, applications and specifications.

The following are some of the common programming languages and application software that we use:

System	Programming language	Application software
SCADA	• Java • .Net	• FactoryTalk view • Cimplicity • Simatic WinCC
DCS	• continuous function chart	• Simatic PCS7 • Experion LX
PLC	• ladder logic diagram • functional block diagram • structured text • sequential function charts	• SIMATIC • Rockwell automation • Emerson Pacsystem
RTU	• ladder logic diagram	• Honeywell RTU 2020
HMI	• Visual Basic • .Net	• GE Cimplicity • Citect • FactoryLink • FactoryTalk • Intellution / iFix • Wonderware In Touch • Siemens WinCC

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

Communications

The communication technologies that we use include short-range wireless communications such as Zigbee and mesh wireless networks to extend the short-range wireless communications, local area networks using ethernet communications, and wide area networks using various protocols such as Transmission Control Protocol/Internet Protocol (TCP/IP) and packet switching.

Single-line electrical drawing

We utilise single-line electrical drawings to depict the graphic representation of the electrical connection and distribution. These single-line drawings are used to connect electrical components such as transformers, resistors, circuit breakers, switches, relays and fuses in the enclosure panels.

Electrical and mechanical principles and technologies

As our products are electrical products, we rely on many of the electrical principles and technologies to achieve various operations and objectives. We also rely on mechanical principles and technologies mainly for our enclosures and other similar protection and housing devices for our electrical parts and components.

6.5.7 Key machinery and equipment

A summary of the key machinery and equipment owned and used by us are set out below:

	As at 30 June 2024		
Machinery and equipment	**No. of units**	**Average age (years)**	**NBV (RM'000)**
Fabrication			
CNC turret punching machine	1	12	-
CNC laser cutting machine	1	3	356.42
CNC milling machine	2	3	978.98
CNC copper busbar cutting	2	12	-
CNC copper busbar bending machine	1	12	-
CNC metal bending machine	2	12	-
Roller guide shearing/cutting machine	1	12	-
Overhead cranes (10 ton)	1	12	-
Overhead cranes (2 ton)	2	3	-
Testing			
Current injector transformer	2	14	-
Solar PV module I-V tester	1	5	18.86
DC load bank tester	1	8	20.35
Voltage stabiliser	1	13	-
Calibration charge	1	5	4.75
Software			
Laserfiche – Enterprise Content Management	25	3	100.52
Solidwork - CAD design software	1	3	96.42

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

6.5.8 Geographical markets

As at the LPD, we have operations in 4 countries including our head office, fabrication facility and sales and technical support located in Malaysia, our sales and technical support in China, as well as our sales offices in Singapore and Thailand.

Our revenue was mainly derived from our Malaysia operations which accounted for 75.20%, 66.83%, 60.61% and 64.15% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Our combined foreign operations accounted for 24.80%, 33.17%, 39.39% and 35.85% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

Revenue by operational countries

For the Financial Period Under Review, revenue contribution by the locations of our operations in Malaysia and foreign countries is set out below:

Revenue by operational countries	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia operations	**42,197**	**75.20**	**54,692**	**66.83**	**56,021**	**60.61**	**52,248**	**64.15**
Foreign operations	**13,918**	**24.80**	**27,151**	**33.17**	**36,405**	**39.39**	**29,198**	**35.85**
- Thailand	910	1.62	5,765	7.04	13,652	14.77	14,121	17.34
- Singapore	6,060	10.80	8,524	10.41	13,394	14.49	9,007	11.06
- China	6,948	12.38	12,862	15.72	9,359	10.13	6,070	7.45
Total revenue	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**

Our Malaysia operations comprising SESB, PMAS, SSMSC, ALR, SASB and SEOG serves customers in Malaysia as well as foreign customers where products fabricated at our fabrication facility in Malaysia are exported to our customers in foreign countries.

Our China operations comprising Chongqing Swift China serves customers in China only. We have a team of sales and technical personnels in Chongqing, China to carry out design, supply, and provide technical services for process control system inhouse while assembly and wiring works are subcontracted to a third-party service provider in China.

Meanwhile, for our Thailand and Singapore operations comprising SE Thailand and SE Singapore, they serve their respective domestic customers. We have our sales and marketing team in Thailand and Singapore to market and sell our products to customers in their respective countries. Our Singapore operations also serve foreign customers. All orders that are secured by our Thailand and Singapore operations are handled by our operational facility in Malaysia.

Revenue by our customers' locations

Through our operational bases in Malaysia, China, Thailand, and Singapore, our major markets for the sales of our products and services for the Financial Period Under Review include Malaysia, Thailand and Singapore which individually accounted for more than 10.00% of our total revenue for FPE 2024.

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

For the Financial Period Under Review, our revenue from our major markets namely Malaysia, Thailand, Singapore and China, collectively accounted for RM48.00 million (85.56%), RM68.86 million (84.13%), RM81.49 million (88.17%) and RM75.89 million (93.19%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, we have a customer base of approximately 450, 530, 510 and 360 customers respectively, and they are spread across 22, 16, 18 and 20 countries respectively.

For the Financial Period Under Review, revenue by the locations of our customers (based on customers' invoice addresses) is as follows:

Revenue by customers' locations (invoice address)	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FPE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	29,302	52.22	34,658	42.35	39,261	42.48	38,162	46.86
Singapore	7,843	13.98	13,425	16.40	18,265	19.76	15,171	18.63
Thailand	911	1.62	5,766	7.04	13,653	14.77	14,121	17.34
China	9,945	17.72	15,007	18.34	10,314	11.16	8,441	10.36
Others	(1)8,114	14.46	(2)12,987	15.87	(3)10,933	11.83	(4)5,551	6.81
Total revenue	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**

Notes:

(1) Includes Ghana, Papua New Guinea, Vietnam, Indonesia, Australia, Belgium, Philippines, Ukraine, Uganda, Qatar, India, South Africa, Brunei, Germany, Norway, Hong Kong, Zambia and South Korea.

(2) Includes Papua New Guinea, Indonesia, Ghana, Philippines, Vietnam, India, Australia, Brunei, Germany, South Africa, Myanmar, South Korea and Belgium.

(3) Includes South Africa, Zambia, Indonesia, Australia, Myanmar, Philippines, Ghana, Papua New Guinea, South Korea, Türkiye, Vietnam, Uganda, Germany, and India.

(4) Includes Papua New Guinea, Republic of Côte d'Ivoire, Myanmar, Ghana, United Arab Emirates, Uganda, Vietnam, Zambia, Indonesia, Brunei, Türkiye, Norway, Germany, United Kingdom, Netherlands, and Australia.

6.5.9 User industry focus

Our major user industries for the Financial Period Under Review are the O&G, as well as grain products, edible oils, and food manufacturing industries which collectively represented 81.31%, 81.25%, 76.16% and 70.18% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. In FPE 2024, utilities including power, water, and wastewater treatment industries, representing 18.27% of our total revenue, became a user industry which we are increasingly focusing on.

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

For the Financial Period Under Review, our revenue segmented by user industry segments are as follows:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
User industries	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
O&G	24,473	43.61	28,575	34.92	41,317	44.70	36,729	45.10
Grain products, edible oils and food manufacturing	21,157	37.70	37,914	46.33	29,080	31.46	20,431	25.08
Utilities[(1)]	2,314	4.13	2,383	2.91	8,388	9.08	14,878	18.27
Others[(2)]	8,171	14.56	12,971	15.85	13,641	14.76	9,408	11.55
Total revenue	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**

Notes:

(1) Utilities include power, water and wastewater treatment plants.

(2) Others include marine, mining, pharmaceutical, construction, industrial trading and other general industries.

6.5.10 Operational facilities

As at the LPD, the location of our head office and operational facilities are as follows:

Subsidiaries	Main functions	Approximate built-up area (sq ft)	Ownership	Address	No. of employees as at the LPD
SESB, SEOG, SSMSC, and PMAS	Head office and storage and fabrication facilities	69,948	Owned	Lot 48521 (PT 25145) Jalan Palam 34/17 Seksyen 34 40460 Shah Alam Selangor Darul Ehsan Malaysia	160
SASB	Office	3,995	Rented	No. 43G & 43-1, (Basement) Jalan Suria Puchong 2 Pusat Perdagangan Suria 47110 Puchong Selangor Darul Ehsan Malaysia	7
	Office and storage facilities	2,497	Rented	Lower Ground Floor & First Floor of No. 45 Jalan Suria Puchong 2 Pusat Perniagaan Suria Puchong 47110 Puchong	4

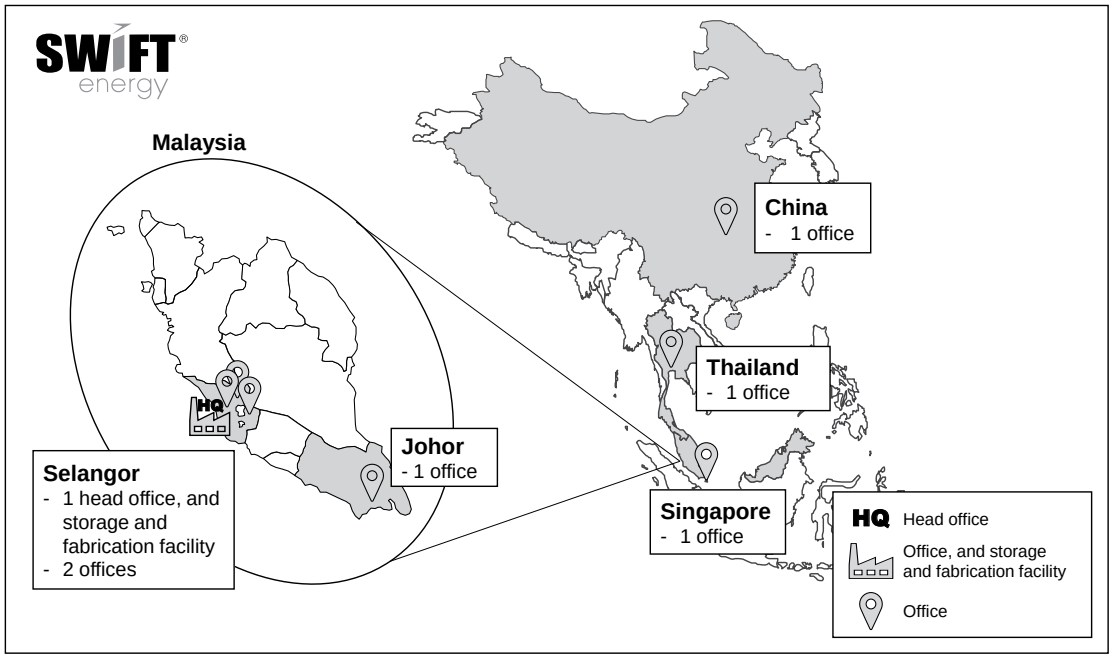
6. INFORMATION ON OUR GROUP *(Cont'd)*

Subsidiaries	Main functions	Approximate built-up area (sq ft)	Ownership	Address	No. of employees as at the LPD
				Selangor Darul Ehsan Malaysia	
ALR	Office	3,444	Rented	Ground Floor Block D2-06 & D2-07 Pusat Perdagangan Dana 1 Jalan PJU 1A/46 Section PJU 1A 47301 Petaling Jaya Selangor Darul Ehsan Malaysia	3
SESB	Office	1,540	Rented	11-02, Jalan Sierra Perdana 6/3 Taman Sierra Perdana 81750 Masai Johor Malaysia	12
SE Singapore	Office	1,399	Rented	629 Aljunied Road #06-16 Cititech Industrial Building Singapore 389838	4
Chongqing Swift China	Office	3,606	Rented	5th Floor, Build A Caifu No. 2 15 Cai Fu Avenue Yubei District Chongqing China 401121	18
SE Thailand	Office	1,119	Rented	Campus A, Building 6 Floor 3 Unit A632 846 Lasalle Road Bangna Tai Sub-District Bangna District Bangkok 10260 Thailand	7

(The rest of this page is intentionally left blank)

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

The following diagram sets out our operational facilities in Malaysia, Singapore, China, and Thailand, as at the LPD:



6.5.11 Significant products/services introduced

Other than our business activities as stated in Section 6.5.2 above, we have not introduced any other significant products/services as at the LPD.

6.5.12 Competitive advantages and key strengths

We believe our success and potential for future growth are attributable to our competitive advantages and strengths set out below:

(a) We have an established track record of 23 years to serve as a platform for business sustainability and growth

We have an established track record that spans approximately 23 years since the commencement of our business operations in the provision of process control and power distribution systems in 2001.

Throughout our 23 years of operations, we have established business relationships with our suppliers, some of whom are our technology partners and others we have authorised distributorships. This provides us with the platform to gain access to technologies, and systems and product training to increase our knowledge of their respective systems and products including product applications and installation techniques.

In addition, our long number of years in the business has helped us to build our customer base in various geographical markets comprising EPCC companies, engineering companies, manufacturing/processing plant owner/operators, and resellers. Our established track record has enabled us to garner the trust among our customers substantiated by our revenue growth which increased from RM56.12 million in FYE 2021 to RM92.43 million in FYE 2023, representing a CAGR of 28.34%. In FPE 2024, our revenue grew by 23.47% from RM65.97 million in FPE 2023 to

RM81.45 million in FPE 2024. In this respect, our track record serves as an important reference and testament to help our Group secure new business.

(b) We have foreign operations in Singapore, China, and Thailand to provide us with the platform to address export market opportunities with local presence

We expanded our business overseas to Singapore in 2007, China in 2009 and Thailand in 2011 with the incorporation of SE Singapore, Chongqing Swift China, and SE Thailand respectively. For our foreign offices, we conduct sales and marketing activities and have technical support staff for maintenance and after-sales services in the respective countries. We also have a team of technical personnel in China to provide design, supply, and technical support services to our customers in China.

These offices are an advantage to us as they help us to serve our customers, provide local technical support and enlarge our addressable markets in Singapore, China, and Thailand. Revenue contributed from our combined foreign operations accounted for 24.80% (RM13.92 million), 33.17% (RM27.15 million), 39.39% (RM36.41 million) and 35.85% (RM29.20 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. In FYE 2021 and FYE 2022, China operations was our largest foreign operations representing 12.38% (RM6.95 million) and 15.72% (RM12.86 million) of our total revenue, respectively. In FYE 2023, Thailand operations became our largest foreign operations representing 14.77% of our total revenue, followed by Singapore and China operations representing 14.49% and 10.13% of our total revenue respectively. Similarly, in FPE 2024, Thailand operations was our largest foreign operations representing 17.34% of our total revenue, followed by Singapore and China operations representing 11.06% and 7.45% of our total revenue respectively.

This demonstrates our ability to tap into various foreign markets to provide us with business growth. Please refer to Section 6.5.8 of this Prospectus for further details on the geographical markets that we served.

(c) We have the ability and track record of exporting our systems and products that will increase our addressable market to provide growth for our business

We have exported our industrial automation and power systems to customers in various geographical markets covering Asia Pacific, Middle East, Africa and Europe regions. For the Financial Period Under Review, we have collectively exported our products to 25 other foreign countries besides China, Thailand and Singapore. This includes Australia, Belgium, Brunei, Germany, Ghana, Hong Kong, India, Indonesia, Myanmar, Mozambique, Netherlands, Norway, Papua New Guinea, Philippines, Qatar, Republic of Côte d'Ivoire, South Africa, South Korea, Türkiye, Ukraine, Uganda, United Arab Emirates, United Kingdom, Vietnam and Zambia.

For the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, our revenue generated from foreign countries besides Thailand, Singapore and China amounted to RM8.11 million (14.46%), RM12.99 million (15.87%), RM10.93 million (11.83%) and RM5.55 million (6.81%) of our total revenue respectively.

Our first export sales were to China in 2002, testifying to our ability to address opportunities in foreign countries. Our track record of export sales of approximately 22 years will serve as a platform to enlarge our addressable markets to foreign countries to grow our business. In addition, our export sales provide us with business diversification in mitigating against over-dependency on any one country.

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

(d) We are an IECEx and ATEX certified manufacturer for Ex solar PV panels or modules, and some other electrical equipment

We, through SESB, received our first IECEx certification in 2011 for solar PV modules with an 85W power rating. Since then and up to the LPD, SESB has obtained IECEx certifications for various Ex products that are fabricated by us. As at the LPD, SESB holds 19 IECEx equipment certifications for Ex solar PV modules, Ex switchracks, Ex distribution boards, Ex battery chargers, Ex solar controllers, Ex battery enclosures, Ex junction boxes, and Ex control panels, and 1 IECEx component certification for empty enclosures.

In addition, as at the LPD, SESB holds 22 ATEX certifications for Ex solar PV modules, Ex switchracks, Ex junction boxes, Ex battery chargers, Ex solar controllers, Ex battery enclosures, and Ex control panels, and 1 ATEX component certification for empty enclosures.

IECEx certification is a globally recognised and accepted certification for Ex products, such as Ex solar PV panels or modules, which attests that the sample of the product has been independently tested and meets the requirements established by the IEC and is safe for use in hazardous or potentially explosive environments, such as offshore O&G platforms. Meanwhile, ATEX certification is mandatory for European Union countries. These Ex certification also attests that our fabrication facility has been audited to verify that their quality system meets the relevant requirements.

The Ex certification is to test and certify our Ex products once for compliance with international safety standards. This eliminates the need for re-testing in different countries thereby reducing costs and speeding up time to market.

For the Financial Period Under Review, our revenue generated from the provision of Ex systems (Ex solar PV, Ex power distribution and other systems) amounted to RM11.59 million (20.66%), RM15.23 million (18.61%), RM36.04 million (39.00%) and RM30.49 million (37.44%) of total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. As at the LPD, we have a total order book of RM20.79 million for the provision of Ex systems (Ex solar PV, Ex power distribution and other systems) which is expected to be recorded as revenue in FYE 2025.

As of 20 November 2024, the number of companies with IECEx certifications are as follows:

- globally there are 6 IECEx-certified manufacturers, including SESB, for Ex solar PV panels or modules;
- in Malaysia, SESB is the only IECEx-certified manufacturer for Ex solar PV modules, Ex switchracks, Ex battery chargers, Ex battery enclosures and Ex solar controllers.

(Source: IMR Report)

As the only Malaysian IECEx-certified manufacturer of Ex solar PV modules, Ex switchracks, Ex battery chargers, Ex battery enclosures and Ex solar controllers, and being a Malaysian domicile company, we benefit from providing Ex solar PV, Ex power distribution and other systems to operators in the O&G industry in Malaysia, as well as neighbouring countries such as Thailand. Nevertheless, not all operators in the O&G industry require IECEx-certified products as IECEx-certification may not be mandatory, and there are other types of Ex certifications.

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

The demand for IECEx certifications is primarily from operators with stringent safety requirements in potentially explosive or hazardous environments, notably within industries such as O&G, petrochemicals, and chemicals. This demand is particularly prevalent in countries that recognise IECEx certifications, such as Malaysia, Thailand, and Singapore.

However, different regions across the globe have adopted their own certification standards to ensure safety compliance. For instance, Europe adheres to the ATEX certifications, while Brazil adopts the standards set by the Brazilian National Institute of Metrology, Quality, and Technology (INMETRO), and Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan abide by the Customs Union Technical Regulations (CU TR) certification. In addition, China adopts the China Compulsory Certificate, and Japan adopts the Ex certification for Japan (JPEx) *(Source: IMR Report)*. These diverse certification systems reflect the varying regulatory landscapes and safety priorities of different countries and regions worldwide.

(e) Our Group specialises in providing industrial automation and power systems

Since the commencement of our business in 2001, we have established ourselves as a provider of industrial automation and power systems for various industries covering mainly O&G, as well as grain products, edible oils, and food manufacturing industries.

As a specialist, we have in-house capabilities to provide the full spectrum of work for the provision of industrial automation and power systems as follows:

- Design, program, configure, and integrate process control systems and controllers such as SCADA, DCS, PLC, RTU, and HMI, and communications networks. As at the LPD, we have a team of 31 system engineers responsible for system design based on operating parameters, hazardous conditions, measurable parameters, control logic, redundancy as well as the layout and design of the plant and equipment;

- Design process control, power distribution and Ex solar PV system including conceptual drawings such as circuit design, components and device placement, AC and DC distribution, control and protection logic diagram, and panel/switchrack drawings; schematic diagrams including cable, wiring and device schedule and block diagrams; AC and DC load calculations; current and voltage transformer calculations, and inspection and test plan. As at the LPD, we have a team of 7 mechanical and electrical design engineers, and 6 draftsperson from the Proposal/project department responsible for designing of control and power distribution panels, and Ex solar PV systems; and

- Fabrication, assembly and integration of process control, power distribution and Ex solar PV panels including enclosures and skid fabrication, as well as assembly and integration of electrical components and devices. As at the LPD, we also have a team 60 personnels in our production department and we are equipped with various machinery and equipment including CNC turret punching, laser cutting and milling machine, copper busbar cutting, metal bending and shearing machines, as well as overhead cranes to carry out fabrication works internally.

Our ability to provide all these services inhouse allows us to have better control over the quality and reliability of the products and systems. This would enable us to cultivate customer loyalty, retain existing customers as well as attract new customers.

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

(f) We are an approved partner for Siemens' LV switchboard products and industrial automation hardware and software, and an Authorised Distributor for a range of power and industrial electrical products

We are a SIVACON S8 Technology Partner for Siemens and are authorised to fabricate Siemens' SIVACON S8 LV switchboard range of products including LV switchboards and MCC. We are also a certified Siemens System Integrator for Siemens' industrial automation hardware and software such as Siemens' SIMATIC controllers.

Additionally, we are an Authorised Distributor for 9 brands of power and industrial electrical products principally Cressall, Danfoss, DOMO, Emerson, IDEC, Novaris, Seneca, Wieland and UIC.

As an approved partner of Siemens and an Authorised Distributor of the above brands of products, our business benefits from the brand equity and customer loyalty developed by our principal, as well as their technical support, training for our personnel, and product and technology updates where relevant. Furthermore, purchasers who want to buy these brands of products commonly must buy from an Authorised Distributor such as our Group.

(g) We have experienced Directors and key senior management to grow our business

We have an experienced management team headed by our Executive Director cum Chief Executive Officer, Tan Bin Chee and our Executive Director cum Chief Operating Officer, Chin Saw Yong, who bring with them approximately 30 years of experience each in industrial automation and power systems for the O&G, and grain products, edible oils, and food manufacturing respectively. As directors and founders of our Group, Tan Bin Chee and Chin Saw Yong have been instrumental in the growth and development of our Group.

They are supported by our key senior management team as follows:

- Ting Yi En, our Financial Controller, who brings with him approximately 29 years of experience in accounting and finance. He is responsible for overseeing our Group's accounting and finance functions;

- Suzana Binti Abu Bakar, our Corporate Affairs Director, who brings with her approximately 30 years of experience in the areas of office administration. She is responsible for corporate affairs, administering and overseeing our Group's corporate governance policies and procedures as well as internal control system.

6.5.13 Seasonality or cyclical effects

During the Financial Period Under Review and up to the LPD, we did not experience any material seasonality or cyclical effects in our business.

(The rest of this page is intentionally left blank)

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

6.5.14 Types, sources, and availability of inputs

The breakdown of the types of materials and services that we purchased for our business operations is set out below:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Materials	**36,732**	**91.23**	**46,971**	**88.32**	**49,472**	**90.79**	**41,081**	**94.08**
Industrial electrical and other products[(1)]	30,360	75.40	34,813	65.46	37,239	68.34	31,451	72.03
Ex enclosures and accessories	1,101	2.73	3,232	6.08	4,324	7.94	3,883	8.89
Transformers and resistors[(2)]	2,370	5.89	5,232	9.84	3,988	7.32	1,699	3.89
Metal products[(3)]	2,059	5.11	1,151	2.16	1,787	3.28	1,485	3.40
ICT products[(4)]	842	2.09	2,193	4.12	1,833	3.36	1,902	4.36
Others[(5)]	-	-	350	0.66	301	0.55	661	1.51
Services[(6)]	**3,531**	**8.77**	**6,211**	**11.68**	**5,020**	**9.21**	**2,586**	**5.92**
Total purchases	**40,263**	**100.00**	**53,182**	**100.00**	**54,492**	**100.00**	**43,667**	**100.00**

Notes:

(1) Includes process controllers such as SCADA, PLC, RTU, DCS and HMI, and other control and automation devices such as circuit breakers, relays, surge protection devices, terminal blocks, navigational aids system, solar panel modules, wind turbine, diesel generator set.

(2) Includes NER and cast resin transformers.

(3) Includes steel plates, copper busbars, bolts, nuts, and other fasteners.

(4) Includes computers, peripherals, servers, storage, and network devices.

(5) Includes packaging products namely wooden pallet and plywood boxes.

(6) Includes subcontracted services for panel fabrication, assembly, and wiring works, installation services, freight services, and testing services for product certification.

Purchases of materials for our operations accounted for 91.23% (RM36.73 million), 88.32% (RM46.97 million), 90.79% (RM49.47 million) and 94.08% (RM41.08 million) of our total purchases for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Some of the materials that we purchased include industrial electrical and other products, Ex enclosures and accessories, transformers and resistors, metal products, ICT products, and others.

Purchases of services accounted for 8.77% (RM3.53 million), 11.68% (RM6.21 million), 9.21% (RM5.02 million) and 5.92% (RM2.59 million) of our total purchases for FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. The following are the subcontracted services where we engage external service providers:

- For our operations in Malaysia, we engage third-party service providers to carry out panel assembly and wiring works under our guidance and specifications.

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

- For our operations in China, we engage a third-party service provider to carry out panel assembly and wiring works based on our specifications.

- We also engage external service providers to carry out installation services under our supervision at the project location sites, when required.

Purchases by location of suppliers

The breakdown of purchases by location of suppliers (based on the supplier's invoice address) is set out below:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Industrial electrical and other products	**30,360**	**75.40**	**34,813**	**65.46**	**37,239**	**68.34**	**31,451**	**72.03**
- Malaysia	9,454	23.48	17,383	32.69	20,188	37.05	21,754	49.82
- Singapore	4,334	10.76	6,765	12.72	8,778	16.11	5,832	13.36
- China	15,490	38.47	8,589	16.15	5,877	10.78	2,165	4.96
- Others[(1)]	1,082	2.69	2,076	3.90	2,396	4.40	1,700	3.89
Ex enclosures and accessories	**1,101**	**2.73**	**3,232**	**6.08**	**4,324**	**7.94**	**3,883**	**8.89**
- Netherlands	239	0.59	2,133	4.01	2,891	5.31	1,819	4.17
- Germany	2	#	354	0.67	572	1.05	775	1.77
- Singapore	606	1.51	653	1.23	525	0.96	288	0.66
- Others[(2)]	254	0.63	92	0.17	336	0.62	1,001	2.29
Transformers and resistors	**2,370**	**5.89**	**5,232**	**9.84**	**3,988**	**7.32**	**1,699**	**3.89**
- UK	2,168	5.39	3,103	5.84	3,550	6.52	460	1.05
- Taiwan	58	0.14	1,373	2.58	-	-	266	0.61
- Others[(3)]	144	0.36	756	1.42	438	0.80	973	2.23
Metal products	**2,059**	**5.11**	**1,151**	**2.16**	**1,787**	**3.28**	**1,485**	**3.40**
- Malaysia	2,003	4.97	1,118	2.10	1,762	3.23	1,450	3.32
- Others[(4)]	56	0.14	33	0.06	25	0.05	35	0.08
ICT products	**842**	**2.09**	**2,193**	**4.12**	**1,833**	**3.36**	**1,902**	**4.36**
- Malaysia	611	1.52	1,894	3.56	1,439	2.64	1,632	3.74
- China	206	0.51	214	0.40	216	0.39	-	-
- Others[(5)]	25	0.06	85	0.16	178	0.33	270	0.62
Others	**-**	**-**	**350**	**0.66**	**301**	**0.55**	**661**	**1.51**
- Malaysia	-	-	350	0.66	301	0.55	596	1.36
- Others[(6)]	-	-	-	-	-	-	65	0.15

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

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Services	**3,531**	**8.77**	**6,211**	**11.68**	**5,020**	**9.21**	**2,586**	**5.92**
- Malaysia	2,520	6.26	6,086	11.44	4,893	8.98	2,499	5.72
- Others[7]	1,011	2.51	125	0.24	127	0.23	87	0.20
Total purchases	**40,263**	**100.00**	**53,182**	**100.00**	**54,492**	**100.00**	**43,667**	**100.00**

Notes:

(1) Include mainly Hong Kong, Germany, USA, Taiwan, Thailand, Italy, India, and UK.

(2) Include mainly Malaysia, China, UK, and France.

(3) Include mainly Malaysia and Thailand.

(4) Include mainly Singapore.

(5) Include mainly Germany.

(6) Include UK and India.

(7) Include mainly China.

The following are our purchases of materials for our operations:

- purchases of industrial electrical and other products constitutes 75.40%, 65.46%, 68.34% and 72.03% of our total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. Approximately 68.86%, 50.07%, 45.78% and 30.83% of our purchases of industrial electrical and other products were purchased from foreign countries mainly from Singapore and China. These purchases were mainly from our principals namely Emerson Automation Solutions Intelligent Platforms Asia Pacific Pte Ltd and IDEC Izumi Asia Pte Ltd from Singapore, and Emerson Automation Solutions Intelligent Platforms (Shanghai) Co., Ltd. from China. Nevertheless, we are not dependent on these foreign suppliers as we are able to source PLC, industrial automation and power control devices from other suppliers. Approximately 31.14%, 49.93%, 54.21% and 69.17% of our purchases of industrial electrical and other products were purchased from Malaysia. These purchases were from various suppliers in Malaysia including Siemens Malaysia Sdn Bhd, one of our major suppliers. We are not dependent on these Malaysian suppliers, save for Siemens Malaysia Sdn Bhd as disclosed in Section 6.11 of this Prospectus.

- purchases of Ex enclosures and accessories accounted for 2.73%, 6.08%, 7.94% and 8.89% of our total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. As we are able to source these products from suppliers in various countries namely Netherlands, Germany and Singapore, we are not dependent on a single foreign country.

- purchases of transformers and resistors accounted for 5.89%, 9.84%, 7.32% and 3.89% of our total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. These purchases were mainly imported from UK and Taiwan due to our Authorised Distributorship for resistors and resistor banks with Cressall Resistors Limited from UK, and cast resin transformers with UIC from Taiwan. Nevertheless,

we are not dependent on these foreign suppliers as we are able to source transformers and resistors from other suppliers.

- purchases of metal products, including mild steel and stainless steel plates, and copper busbar, are directly impacted by increases in the commodity prices including iron and steel prices. However, as metal products only accounted a small proportion of our total purchases namely 5.11%, 2.16%, 3.28% and 3.40% for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively, the fluctuation in commodity prices would not materially affect our Group's operations and performance.

- purchases of ICT products accounted for 2.09%, 4.12%, 3.36% and 4.36% of our total purchases for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively, and these products are mainly sourced from suppliers in Malaysia.

6.5.15 Sales and marketing

6.5.15.1 Distribution channels and customer base

We use both indirect and direct distribution channels for our sales and marketing.

We use indirect distribution channel where we secure our projects and supply our systems through intermediaries, such as EPCC companies and engineering companies, who work directly with project owners and are responsible for delivering a complete facility to the facility owner or operator. In this situation, we work as a subcontractor or a systems supplier to our customers. We also distribute and sell our systems and products to resellers such as wholesalers or trading companies who would then resell our systems and products to their customers. Indirect distribution channel account for RM32.82 million (58.48%), RM44.96 million (54.94%), RM66.08 million (71.50%) and RM62.13 million (76.28%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

We also use direct distribution channels where we market, secure projects, and distribute our systems and products directly to customers who are owners or operators of manufacturing or processing plants as well as equipment manufacturers that will utilise our products or integrate our products with their products to supply the final products/systems to their customers. Our direct distribution channel strategy focuses our sales and marketing activities directly with the ultimate decision-makers, which enables us to work closely with our customers to meet their technical specifications and requirements, as well as business objectives. Our direct distribution channel accounted for RM23.30 million (41.52%), RM36.88 million (45.06%), RM26.34 million (28.50%) and RM19.32 million (23.72%) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively.

For the Financial Period Under Review, our revenue segmented by distribution channel and type of customers are as follows:

Revenue by distribution channel	**FYE 2021**		**FYE 2022**		**FYE 2023**		**FPE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Indirect distribution channel	**32,818**	**58.48**	**44,960**	**54.94**	**66,083**	**71.50**	**62,131**	**76.28**
- EPCC companies	12,453	22.19	16,125	19.70	39,190	42.40	35,841	44.01
- Engineering companies	13,388	23.86	20,720	25.32	20,464	22.14	15,934	19.56
- Resellers	6,977	12.43	8,115	9.92	6,429	6.96	10,356	12.72

Revenue by distribution channel	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution channel	**23,297**	**41.52**	**36,883**	**45.06**	**26,343**	**28.50**	**19,315**	**23.72**
- Manufacturing/ processing plant owners/operators	16,470	29.35	27,943	34.14	18,524	20.04	18,434	22.63
- Equipment manufacturers	6,827	12.17	8,940	10.92	7,820	8.46	881	1.08
Total revenue	**56,115**	**100.00**	**81,843**	**100.00**	**92,426**	**100.00**	**81,446**	**100.00**

6.5.15.2 Marketing positioning and activities

Our marketing positioning and activities to address business opportunities, retain existing customers and secure new customers are focused on the following:

- Position our Group as a specialist in industrial automation and power system with a track record of approximately 23 years in the provision of process control systems, Ex solar PV systems, power distribution systems and other systems to customers mainly in the O&G, as well as grain products, edible oil and food manufacturing industries.

- Position our Group as an IECEx and ATEX certified manufacturer of various Ex electrical products with the capability of integrating and assembling Ex switchracks, Ex solar PV systems and other EX systems for hazardous areas such as Ex navigational aid systems, Ex battery chargers and Ex diesel generator systems.

- Position our Group as an authorised manufacturer of Siemens SIVACON S8 LV switchboard range of products, approved partner and certified Siemens System Integrator for Siemens' industrial automation hardware and software, as well as Authorised Distributor for 9 brands of power and industrial electrical products namely Cressall, Danfoss, DOMO, Emerson, IDEC, Novaris, Seneca, Wieland and UIC. We will leverage our cost advantage as the Authorised Distributor of certain electrical products for the provision of industrial automation and power systems.

Some of our sales and marketing strategies and approaches include the following:

- Maintain good working relationships with customers by providing a high level of customer service and ensuring that their orders are fulfilled promptly and accurately to meet their expectations.

- Carry out proactive sales visits to domestic and foreign existing and potential customers to understand their requirements and secure sales.

- Follow-up on customer referrals provided by existing customers, suppliers and other business associates and contacts.

- Participate as well as attend industry exhibitions, conventions and conferences to showcase our products and services, cultivate new customers and foster relationships with existing customers, as well as increase our brand awareness among potential customer base.

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

- Keep our website up to date with our various range of products and services, and an online portal to allow customers to view and purchase our range of products.

As the provision of industrial automation and power systems is highly technical and specialised, our business requires an in-depth understanding of the customers' requirements before appropriate solutions can be proposed. As a result, our sales and marketing activities are spearheaded by our Executive Director cum Chief Executive Officer and supported by our 36 sales and support personnel, as at the LPD. Our sales personnel are based at our main operational facility and branches in Malaysia, China, Singapore, and Thailand to market our products and serve our customers in their respective areas.

In addition, we also engage third-party companies as agent and distributor to assist in sales and marketing in foreign markets to cover certain products and geographic areas, as follows:

Company name	Role	Geographical coverage	Product coverage	Validity
PT Supraco Indonesia	Agent	Indonesia	Ex products and systems	12 July 2024 to 11 July 2026
Shinba Integrated Engineering Services Sdn Bhd	Distributor	Brunei	Ex solar PV system	From 2 January 2021
Suwaidee Engineering Group LLC	Distributor	UAE	Ex solar PV, power distribution and other system	From 15 June 2020

In addition, as part of our strategy to promote our products and services to potential customers in the domestic and foreign markets, we actively participate in exhibitions, conventions and conferences to showcase our products and increase our visibility and presence, especially to foreign customers.

Some of the events that we have participated in since 2022 and up to the LPD include the following:

Year	Event	Industry	Location	Nature of Participation
2022	Smart Nation Expo and Forum 2022	Digital economy	Kuala Lumpur, Malaysia	Exhibitor
2022	Oil & Gas Asia (OGA) 2022	O&G	Kuala Lumpur, Malaysia	Exhibitor
2022	Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2022	O&G	Abu Dhabi, United Arab Emirates	Exhibitor
2022	Offshore South East Asia (OSEA) 2022	O&G	Singapore	Exhibitor

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

Year	Event	Industry	Location	Nature of Participation
2022	Asia Water 2022	Water	Kuala Lumpur, Malaysia	Exhibitor
2023	Oil & Gas Asia (OGA) 2023	O&G	Kuala Lumpur, Malaysia	Exhibitor
2023	Thailand Oil & Gas and Marine & Offshore Expo 2023	O&G	Bangkok, Thailand	Exhibitor
2024	ASIAWATER 2024	Water	Kuala Lumpur, Malaysia	Exhibitor
2024	ENERtec ASIA	Energy	Kuala Lumpur, Malaysia	Exhibitor
2024	Oil & Gas Asia (OGA) 2024	O&G	Kuala Lumpur, Malaysia	Exhibitor
2024	Thailand Marine & Offshore Expo 2024	O&G	Bangkok, Thailand	Exhibitor
2024	Abu Dhabi International Petroleum Exhibition Conference (ADIPEC)	O&G	Abu Dhabi, United Arab Emirates	Exhibitor

The events that we will be participating in 2024 include the following:-

Year	Event	Event period	Industry	Location	Nature of Participation
2024	Smart Nation Expo 2024	19 to 21 November 2024	Smart technologies	Kuala Lumpur, Malaysia	Exhibitor

6.5.16 Major approvals, licenses and permits

Kindly refer to Appendix I for further details of our major approvals, licences and permits.

(The rest of this page is intentionally left blank)

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

6.5.17 Intellectual property rights

As at the LPD, save as disclosed below, our Group has not filed for registration and/or registered any trademarks, copyrights, patents or other intellectual property rights:

(a) Trademarks

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(i)	SWIFT energy	**Company:** SESB **Authority:** MyIPO **Trademark No.:** 09018102 **Application Date:** 16 October 2009	**Class:** Class 9 **Description of trademark:** Programs for software and hardware design of control information systems; computer programs for design of network system; computer systems designed for project management; direct current power supply system including solar power system and batteries; power management system for gas turbine generator; turnkey control hardware and software system; programs for design and integration of process control solutions; electric batteries; batteries for lighting; battery boxes; battery charges; luminous beacons; signal bells; blinkers (signalling lights); branch boxes (electricity); coaxial cables; electric cables; charges for electric batteries; control panels (electricity); electric converters; diagnostic apparatus, not for medical purposes; distribution boards (electricity); distribution boxes (electricity); distribution consoles (electricity); automatic distribution machines; electric installations for the remote control of industrial operations; flashing lights (luminous signals); fog signals, non-explosive; junction boxes (electricity); optical lanterns; photovoltaic cells; junction boxes (electricity); optical lanterns; photovoltaic cells; electric regulating apparatus; signal lanterns; signalling panels,	**Status:** Registered **Validity Date:** 16 October 2009 to 16 October 2029

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
			luminous or mechanical; signals, luminous or mechanical; transmitters of electronic signals; solar batteries; electricity transformers; transmitters of electronic signals; voltage surge protectors; wind socks for indicating wind direction; all included in Class 9.	
(ii)	SWIFT energy	**Company:** SESB **Authority:** China National Intellectual Property Administration ("**CNIPA**") **Trademark No.:** 51275264 **Application Date:** 14 November 2020	**Class:** 9 **Description of trademark:** Photovoltaic cells; luminous or mechanical transmitters opelectronic signals solar batteries; chargers for electric batteries; battery box; control panels electricity; distribution boards electricity; junction boxes electricity; electric installations for the remote control of industrial operations; batteries for lighting; fog signals, non-explosive; flashing lights luminous signals.	**Status:** Registered **Validity Date:** 14 June 2022 to 13 June 2032

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(iii)	SWIFT energy	**Company:** SESB **Authority:** Directorate General of Intellectual Property, Indonesia **Application No.:** DID2024041617 **Application Date:** 17 May 2024	**Class:** 9 **Description of trademark:** Computer hardware and computer software programs for the integration of text, audio, graphics, still images and moving pictures into an interactive delivery for multimedia applications; computer programs; computer systems; electric batteries; batteries for lighting; battery boxes; battery chargers; beacons, luminous; signal bells; branch boxes (electricity); electric cables; chargers for electric batteries; control panels (electricity); converters, electric; diagnostic apparatus, not for medical purposes; distribution boards (electricity); distribution boxes (electricity); distribution consoles (electricity); electric installations for the remote control of industrial operations; flashing lights (luminous signals); fog signals, non-explosive; junction boxes (electricity); photovoltaic cells; regulating apparatus, electric; signal lanterns; signalling panels, luminous or mechanical; signals, luminous or mechanical; transmitters of electronic signals; solar batteries; transformers (electricity); voltage surge protectors; wind socks for indicating wind direction; electric power distribution machines; computer programs for connecting remotely to computers or computer networks; computer programs for connecting to remote computers and computer networks.	**Status:** Under formality check(1) **Validity Date:** Not applicable

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(iv)		**Company:** SESB **Authority:** Department of Intellectual Property, Thailand **Application No.:** 240110080 **Application Date:** 4 March 2024	**Class:** 9 **Description of trademark:** Software for searching and retrieving information across a computer network; computer software for database management; management software documents data storage in network system; network operating system programs; solar-powered battery chargers dock for mobile phone; solar-powered rechargeable batteries; computer software for application and database integration; electrical storage batteries; batteries for lighting; battery boxes; cell phone battery chargers; battery chargers for use with vehicle battery; beacons, luminous; signal bells; blinkers (signalling lights); branch boxes (electricity); coaxial cables; cables, electric; electrical cables; chargers for electric accumulators; dry-cell batterie chargers; control panels (electricity); converters, electric; electric current converters; scanners (apparatus) for performing automotive diagnostics; distribution boards (electricity); distribution boxes (electricity); distribution consoles (electricity); electric installations for the remote control of industrial operations; flashing lights (luminous signals); fog signals, non-explosive; junction boxes (electricity); optical lanterns; photovoltaic cells; electric regulating apparatus; signal lanterns; signalling panels, luminous or mechanical; signals, luminous or mechanical; transmitters of electronic signals; solar batteries; transformers (electricity): voltage surge protectors; wind socks for indicating wind direction.	**Status:** Application was objected[(2)] **Validity Date:** Not applicable

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(v)	SWIFT energy	**Company:** SESB **Authority:** National Office of Intellectual Property of Vietnam **Application No.:** 4-2024-06967 **Application Date:** 26 February 2024	**Class:** 9 **Description of trademark:** Programs for software and hardware design of control information systems; computer programs for design of network systems; computer systems designed for project management; direct current power supply system including solar power system and batteries sold as one unit; power management system for gas turbine generator; turnkey control hardware and software system; programs for design and integration of process control solutions; electric batteries; batteries for lighting; battery boxes; battery chargers; luminous beacons; signal bells; blinkers (signalling lights); branch boxes (electricity); coaxial cables; electric cables; chargers for electric batteries; control panels (electricity); electric converters: diagnostic apparatus, not for medical purposes; distribution boards (electricity); distribution boxes (electricity); distribution consoles (electricity); automatic electric distribution machines; electric installations for the remote control of industrial operations; flashing lights (luminous signals): fog signals, non-explosive; junction boxes (electricity); optical lanterns; photovoltaic cells; electric regulating apparatus; signal lanterns; signalling panels, luminous or mechanical; signals, luminous or mechanical: transmitters of electronic signals; solar batteries; electricity transformers; voltage surge protectors; wind socks for indicating wind direction.	**Status:** Under formality check(3) **Validity Date:** Not applicable

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(vi)	SwiftTech	**Company:** SASB **Authority:** MyIPO **Application No.:** TM2022016454 **Application Date:** 30 June 2022	**Class:** 9 **Description of trademark:** Thermostat; electrical and electronic control apparatus and instruments; apparatus; for monitoring and recording the performance of machinery; electronic control; devices for energy management.	**Status:** Provisional Refusal(4) **Validity Date:** Not applicable
(vii)	SWIFT energy	**Company:** SE Singapore **Authority:** Intellectual Property Office of Singapore **Trademark No.:** 40201607272P **Application Date:** 29 April 2016	**Class:** Class 9 **Description of trademark:** Cables, electric; junction sleeves for electric cables; camcorders; capacitors; cell switches (electricity); chargers for electric batteries; circuit breakers; circuit closers; collectors, electric; computer memory devices; computer operating programs, recorded; computer programmes (programs), recorded; computer software, recorded; connections, electric; connections for electric lines; connectors (electricity); distribution boards (electricity); distribution boxes (electricity); distribution consoles (electricity); ducts (electricity); materials for electricity mains (wires, cables); speed indicators; integrated circuits; relays, electric; solenoid valves (electromagnetic switches); transformers (electricity); voltage surge protectors; voltmeters.	**Status:** Registered **Validity Date:** 29 April 2016 to 29 April 2026

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(viii)	深思博	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51544577 **Application Date:** 24 November 2020	**Class:** Class 40 **Description of trademark:** Material processing information; metal processing; rental of machinery for the glass industry; material processing for ceramic manufacturing; oil processing; food production processing; flour processing; food smoking; stripping processing; air purification	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031
(ix)	深思博	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51542805 **Application Date:** 24 November 2020	**Class:** Class 9 **Description of trademark:** Smart glasses (data processing); humanoid robots with artificial intelligence; downloadable mobile applications; smart watches (data processing); mobile phones; electronic monitoring devices; learning machines; electric wires; electronic chips; electronic anti-theft devices	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(x)	深思博	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51544531 **Application Date:** 24 November 2020	**Class:** Class 42 **Description of trademark:** Research and development of new products for others; technical project research; oilfield survey analysis; consumer product safety testing; computer database design; data conversion of computer programs and data (non-tangible conversion); computer software maintenance; computer programming; information technology consulting services; map drawing services	**Status:** Registered **Validity Date:** 14 August 2021 to 13 August 2031
(xi)	深思博	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51529594 **Application Date:** 24 November 2020	**Class:** Class 35 **Description of trademark:** Advertising; advertisement design; competition intelligence services; market intelligence services; management services for business relocations; targeted marketing; human resources management consulting; computer database entry services; systematization of computer database information; preparation of bills and financial statements	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(xii)	Xenxible	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51540609 **Application Date:** 24 November 2020	**Class:** Class 42 **Description of trademark:** Research and development of new products for others; technical project research; oilfield survey analysis; consumer product safety testing; computer database design; data conversion of computer programs and data (non-tangible conversion); computer software maintenance; computer programming; information technology consulting services; map drawing services	**Status:** Registered **Validity Date:** 14 August 2021 to 13 August 2031
(xiii)	Xenxible	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51555722 **Application Date:** 24 November 2020	**Class:** Class 35 **Description of trademark:** Advertising; advertisement design; competition intelligence services; market intelligence services; management services for business relocations; targeted marketing; human resources management consulting; computer database entry services; systematization of computer database information; preparation of bills and financial statements	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031

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

No.	Trademark	Company/ Authority/ Application or Trademark No./ Application date	Class/ Description of trademark	Status/ Validity Date
(xiv)	Xenxible	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51529621 **Application Date:** 24 November 2020	**Class:** Class 9 **Description of trademark:** Downloadable mobile applications; humanoid robots with artificial intelligence; smart glasses (data processing); smart watches (data processing); mobile phones; learning machines; electronic monitoring devices; electric wires; electronic chips; electronic anti-theft devices	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031
(xv)	Xenxible	**Company:** Chongqing Swift China **Authority:** CNIPA **Trademark No.:** 51547897 **Application Date:** 24 November 2020	**Class:** Class 40 **Description of trademark:** Material processing information; metal processing; rental of machinery for the glass industry; material processing for ceramic manufacturing; oil processing; food production processing; flour processing; food smoking; stripping processing; air purification	**Status:** Registered **Validity Date:** 7 August 2021 to 6 August 2031

Our Group's business and profitability are not dependent on the trademarks listed above as our Group has established a strong presence in the industry through our track record of projects. In addition, the products and systems we offer to our customers are tailored to meet the specific designs and specifications outlined by our customers.

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

Notes:

(1) SESB has submitted this application on 17 May 2024 and the application is under formality check by the authority. Barring any unforeseen circumstances, the registration of trademark is estimated to be approved within 12 to 18 months from the date of application.

(2) SESB has submitted this application on 4 March 2024 and the application was objected via a notice of objection dated 5 September 2024 on the ground that the trademark lacks distinctiveness in accordance with Section 6 of the Thai Trademark Law. As at the LPD, SESB is in the midst of filing an appeal against the objection provided by the Department of Intellectual Property, Thailand.

(3) SESB has submitted this application on 26 February 2024 and the application is under formality check by the authority. Barring any unforeseen circumstances, the registration of trademark is estimated to be approved within 12 to 18 months from the date of application.

(4) SASB has submitted this application on 30 June 2022 and the application has been provisionally refused for registration by the MyIPO on 15 November 2022 on the ground that that the specification of the products/services are not clear/accurate, pursuant to Section 11(1)(b) of the Trademarks Act 2019. SASB has on 11 January 2023 resubmitted an application in response to the provisional refusal and as at the LPD, the application is under MyIPO's review and evaluation.

(The rest of this page is intentionally left blank)

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

(b) Registered copyrights

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(i)	Xenxible industrial process control system for oil pretreatment	V1.0	Copyright Protection Center of China ("**CPCC**")	Chongqing Swift China	Software	2020SR0554825	21 April 2019	21 April 2019	2 June 2020
(ii)	Xenxible industrial control system for flour milling	V1.0	CPCC	Chongqing Swift China	Software	2020SR0702885	21 April 2019	21 April 2019	1 July 2020
(iii)	Xenxible industrial process control system for flour silo	V1.0	CPCC	Chongqing Swift China	Software	2020SR0703053	21 April 2019	21 April 2019	1 July 2020
(iv)	Xenxible industrial process control system for rice processing	V1.0	CPCC	Chongqing Swift China	Software	2020SR0703065	21 April 2019	21 April 2019	1 July 2020
(v)	Xenxible industrial process control system for refining	V1.0	CPCC	Chongqing Swift China	Software	2020SR0792323	21 April 2019	21 April 2019	17 July 2020
(vi)	Xenxible industrial process control system for flour cleaning	V1.0	CPCC	Chongqing Swift China	Software	2020SR0792317	21 April 2019	21 April 2019	17 July 2020

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

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(vii)	Xenxible industrial process control system for boiler	V1.0	CPCC	Chongqing Swift China	Software	2020SR0789489	21 April 2019	21 April 2019	17 July 2020
(viii)	Xenxible industrial process control system of all-in-one card quantitative oil distribution system	V1.0	CPCC	Chongqing Swift China	Software	2020SR0790098	21 April 2019	21 April 2019	17 July 2020
(ix)	Xenxible industrial process control system for tank farm and online oil distribution	V1.0	CPCC	Chongqing Swift China	Software	2020SR0789482	21 April 2019	21 April 2019	17 July 2020
(x)	Xenxible industrial process control system for noodle factory	V1.0	CPCC	Chongqing Swift China	Software	2020SR0790091	21 April 2019	21 April 2019	17 July 2020
(xi)	Xenxible industry process control system of soybean powder	V1.0	CPCC	Chongqing Swift China	Software	2020SR0789329	21 April 2019	21 April 2019	17 July 2020

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

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(xii)	Xenxible industrial process control system for transesterification	V1.0	CPCC	Chongqing Swift China	Software	2020SR0789536	21 April 2019	21 April 2019	17 July 2020
(xiii)	Xenxible industrial process control system for oil and fat extraction	V1.0	CPCC	Chongqing Swift China	Software	2020SR0940093	21 April 2019	21 April 2019	17 August 2020
(xiv)	Xenxible industrial process control system for oil water degumming	V1.0	CPCC	Chongqing Swift China	Software	2020SR0940086	21 April 2019	21 April 2019	17 August 2020
(xv)	Xenxible industrial process control system for oil leaching	V1.0	CPCC	Chongqing Swift China	Software	2020SR0940098	21 April 2019	21 April 2019	17 August 2020
(xvi)	Xenxible industrial process control system for flour blending	V1.0	CPCC	Chongqing Swift China	Software	2020SR0704203	21 April 2019	21 April 2019	1 July 2020
(xvii)	Xenxible process control system for rice oil industry	V1.0	CPCC	Chongqing Swift China	Software	2022SR1433960	1 September 2022	5 September 2022	31 October 2022

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

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(xviii)	Xenxible soy sauce disc filter dispensing industrial process control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1541041	7 March 2022	11 March 2022	18 November 2022
(xix)	Xenxible industrial process control system for lard boiling	V1.0	CPCC	Chongqing Swift China	Software	2022SR1434000	11 July 2022	15 July 2022	31 October 2022
(xx)	Xenxible industrial process control systems for fire-tube boilers	V1.0	CPCC	Chongqing Swift China	Software	2022SR1431818	8 August 2022	12 August 2022	28 August 2022
(xxi)	Xenxible industrial process control system for soy sauce blending	V1.0	CPCC	Chongqing Swift China	Software	2022SR1541040	21 February 2022	25 February 2022	18 November 2022
(xxii)	Xenxible soy sauce packaging UHT industrial process control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1540939	14 February 2022	18 February 2022	18 November 2022
(xxiii)	Xenxible process control systems for the fructose and caramel industry	V1.0	CPCC	Chongqing Swift China	Software	2022SR1545707	6 January 2022	13 January 2022	18 November 2022

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

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(xxiv)	Xenxible industrial process control systems for small packages	V1.0	CPCC	Chongqing Swift China	Software	2022SR1535608	21 March 2022	25 March 2022	18 November 2022
(xxv)	Xenxible RO water treatment industrial process control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1525069	6 June 2022	10 June 2022	17 November 2022
(xxvi)	Xenxible process control system for information collection on wheat distributors	V1.0	CPCC	Chongqing Swift China	Software	2022SR1523677	18 April 2022	22 April 2022	17 November 2022
(xxvii)	Xenxible one-card communication industrial process control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1523838	16 March 2022	23 March 2022	17 November 2022
(xxviii)	Xenxible industrial process control system for oil conditioning tank farms	V1.0	CPCC	Chongqing Swift China	Software	2022SR1523828	9 May 2022	13 May 2022	17 November 2022

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

No.	Copyrights	Version no.	Issuing authority	Registered owner and author	Type	Certificate no.	Development completion date	First publication date	Registration date
(xxix)	Xenxible agri-food silo temperature measurement and control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1523488	20 June 2022	24 June 2022	17 November 2022
(xxx)	Xenxible corn oil refining industrial process control system	V1.0	CPCC	Chongqing Swift China	Software	2022SR1433939	22 August 2022	26 August 2022	31 October 2022
(xxxi)	Xenxible trace element process control system for mills	V1.0	CPCC	Chongqing Swift China	Software	2022SR1523827	23 May 2022	27 May 2022	17 November 2022

(c) Patents

No.	Title of Invention	Name of applicant	Application no.	Filing date	Country of registration	Issuing authority	Status
(i)	Battery Enclosure	SESB	PI2020006576	9 December 2020	Malaysia	MyIPO	Application filed, under substantive examination(1)
(ii)	Battery Enclosure	SESB	2301002729	8 May 2023	Thailand	Department of Intellectual Property (DIP), Ministry of Commerce	Application filed, pending request for substantive examination(2)

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

No.	Title of Invention	Name of applicant	Application no.	Filing date	Country of registration	Issuing authority	Status
(iii)	Battery Enclosure	SESB	P00202305848	27 June 2023	Indonesia	Directorate General of Intellectual Property (DGIP), Ministry of Law and Human Rights	Application filed, under substantive examination(3)
(iv)	Battery Enclosure	SESB	PCT/MY2021/050105	23 November 2021	-(4)	World Intellectual Property Organization (WIPO)	Positive International Preliminary Report on Patentability (IPRP) issued(4)

Notes:

(1) The application is under formality validation which entails the examination of the submitted documents for compliance with formal requirements. The patent is estimated to be granted by the 4th quarter of 2024 provided the application smoothly passes through the substantive examination.

(2) The application is pending the instruction from the authority to request the substantive examination. The patent is estimated to be granted by 2027 provided the application smoothly passes through the substantive examination.

(3) The application is under formality validation which entails the examination of the submitted documents for compliance with formal requirements. The patent is estimated to be granted by 2025 provided the application smoothly passes through the substantive examination.

(4) A Patent Cooperation Treaty ("**PCT**") International Application was submitted on 23 November 2021 under the Patent Application No.: PCT/MY2021/050105 for the said patent. The PCT application is an international patent application which covers over 150 countries, and this allows the applicant to simultaneously file patent applications in multiple PCT countries. Once a PCT application is filed, it can extend the application deadline for the filing of the overseas application by 30 months. Within the 30 months' timeframe, the applicant will be required to decide which PCT countries it intends to file its overseas patent applications in. As at the LPD, SESB has filed the overseas patent applications with the relevant patent offices of the Thailand and Indonesia. Aside from these applications, our Group is no longer able to file overseas

patent applications, as the 30-month deadline for such filings has now lapsed. As at the LPD, our Group has neither filed nor intends to file overseas patent applications with the relevant patent offices in China and Singapore as the revenue generated from the fabrication and offering of our Ex systems (incorporating battery enclosure) in these countries is insignificant at this juncture.

We may not be able to protect or effectively enforce our proprietary rights against unauthorised use of such invention in the event the registration of the patent with the issuing authority is unsuccessful. However, we are not materially dependent on the patent and our Group's operations and financial performance will not be materially affected if the registration of the patent is unsuccessful as any failure to register such patent will not in itself prohibit our Group from using such invention and we can continue to offer these battery enclosures to our existing and future customers. Such invention only represents part of the systems we provide to our customers and our competitive advantage lies to a large extent in our ability and track record of providing various products and systems to our customers which form part of a single integrated system or solution.

6.5.18 Dependency on contracts, intellectual property rights, licenses or processes

Save as disclosed below as well as other major approvals, licences and permits as set out in Appendix I of this Prospectus, we are not materially dependent on any other contracts, intellectual property rights, licences and permits or processes that could materially affect our business as at the LPD.

Type of the licence	Tenure	Parties	Purpose	General nature of Contract, Term and Conditions
License Agreement Sivacon S8 ("**License Agreement**")	5 years from the date of the License Agreement (9 January 2023)	SESB as licensee, Siemens AG as licensor and Siemens Malaysia Sdn Bhd as regional entity.	Licensor shall grant the licensee the non-exclusive, non-sub-licensable and non-transferable right to use the technical information for manufacturing, assembling and testing of the products as stated in the License Agreement. SESB has paid a fee amounting to Euro 110,000 to the licensor.	Clause 3 Licenses Granted by Licensor to Licensee SESB has no right to sell the Siemens SIVACON S8 LV switchboard range of products in United Arab Emirates, Saudi Arabia and Oman. Clause 9 Annual Target Agreement SESB is required to purchase the following minimum number of units of SIVACON S8 LV Switchboard range of products for the following years:

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

Type of the licence	Tenure	Parties	Purpose	General nature of Contract, Term and Conditions

FYE	Number of SIVACON S8 LV switchboard range of products (unit/panels)
2023	200
2024	350
2025	300
2026	350
2027	400

For the FYE 2024, SESB had purchased 355 units of SIVACON S8 LV switchboard range of products.

Clause 12 Confidentiality

(i) Licensee shall treat as confidential and, in so far as nothing to the contrary is agreed herein, not make accessible to any third party the information during the term of the License Agreement and for three years thereafter. This shall apply particularly to the transfer of software as stated in the License Agreement. Licensee shall make the information available only to those of its employees which require such in connection with the License Agreement and are subject to a duty of confidentiality at least equal to that set out the License Agreement on the basis of their employment contract or any other written contract.

(ii) If the licensee makes the information available to a third party as authorised by the License Agreement, the licensee undertakes to require this third party in writing to treat the information as confidential to use such only in accordance with the conditions of the License Agreement and not to make such available to any third party. The licensee shall inform the licensor in advance as to the

Type of the licence	Tenure	Parties	Purpose	General nature of Contract, Term and Conditions

nature and purpose of the corporation with any third party and shall obtain permission from the licensor for the transfer of information.

(iii) The duty under (i) and (ii) shall not apply for any information:-

(a) which is or becomes generally known without any breach of this duty of confidentiality,

(b) which the licensee has demonstrably developed independently,

(c) which the licensee has to make available by any ruling of a governmental or regulatory authority or court or by mandatory law; and

(d) which the licensee has obtained legally from third parties without any duty of confidentiality.

Clause 16 Coming into Force, Term, Ending of this Agreement

(i) This License Agreement shall have an initial term of 1 year, it shall extend automatically by 1 year if it is not terminated by one party by written notice 6 months prior to expiration. This License Agreement ends automatically without termination after 5 years since the License Agreement entered into effect. The parties agree that they will start negotiating about a 5-year extension of the License Agreement 6 months prior to the end of the five-year term. In case the period between signature of the License Agreement by all parties and receipt of all necessary governmental approvals exceeds 12 months, the License Agreement shall be

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

Type of the licence	Tenure	Parties	Purpose	General nature of Contract, Term and Conditions
				ultimately null and void, if a party requests so after elapse of the said 12 months' period. (ii) Either Parties may terminate the License Agreement in writing with a period of notice of 3 months if the other party has breached a substantial provision of the License Agreement and within a period of 30 days has not rectified the consequences of such breach even after a written demand from the other party to do so. (iii) Either party is entitled to terminate the License Agreement prematurely and with immediate effect for important reasons such as:- (a) Petition is filed against a party under the provision of law of insolvency or bankruptcy; or (b) A party is in serious arrears with respect to its payment commitments, violates the confidentiality or otherwise materially breaches the License Agreement; (c) Licensor decides to discontinue the sale of all contract products prior to the end of duration of the License Agreement. (iv) The licensor and/or the regional entity shall have the right to terminate the License Agreement prematurely and with immediate effect in the event the licensee does not meet the budgeted figures set forth in clause 9 (annual target agreement) of the License Agreement.

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

6.5.19 R&D

We carry out R&D mainly for our Ex products and systems. Our R&D activities are carried out through SESB. Although we carry out R&D, we did not capitalise any expenditure for R&D activities for the Financial Period Under Review. These expenses which includes production of prototypes and the respective testing and certification fees which are charged out as administrative expenses. This amounted to approximately RM60,000, RM83,000, and RM76,000 for the FYE 2021, FYE 2022, and FYE 2023, respectively. We did not incur any expenses relating to testing and certification in FPE 2024.

R&D activities

Our R&D are focused in the following areas:

- development of new Ex products and systems; and
- enhancement of specification, features and functions on existing Ex products and systems.

Our R&D activities include the following:

- identify areas of need or business opportunity;
- research on the technical feasibility of developing products that are able to meet customer needs;
- design and fabricate the product or a prototype;
- carry out continuous testing, redesign and fabrication until the product is acceptable for commercialisation;
- undergo relevant product certifications;
- where relevant, apply for a patent for products that potentially have high economic value;
- commercialise the product; and
- continue to improve the product based on feedback from customers as well as based on latest industry standards and technologies.

The key skills and expertise used in our R&D activities include, among others;

- mechanical engineering;
- electrical and electronic engineering; and
- working knowledge and experience in the O&G industry.

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

Achievements in R&D

Our achievements in R&D include the certification of the following products:

(a) Ex electrical products

Ex electrical products	2011	2014	2015	2016	2017	2018	2019	2020	2021	2023	2024
Solar PV module	✓ (85W)		✓ (90W)				✓ (110W, 125W to 380W)				
LV busbar junction box		✓ (800A)		✓ (1200A)							✓ (1600A)
Silicone fluid filled transformer					✓						
Battery enclosure						✓			✓		
Stainless steel junction box (SBX)							✓	✓*		✓*	
Enclosures type EJB								✓		✓*	

Note:

* Enhancement of product specifications, features and functions.

Please refer to Section 6.1.2(a) of this Prospectus for details on the certification of our Ex products and Section 6.5.3.3 of this Prospectus for further details on our Ex electrical products.

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

(b) Ex systems

Ex systems	2009	2014	2015	2017	2020	2021	2023
PLC panel	✓ (Zone 2)						✓* (Zone 1)
Ex distribution board		✓					✓* (Zone 1)
Ex LV switchrack		✓ (Zone 2)		✓ (Zone 1 AC/DC)		✓* (Zone 1 AC/DC, solar controller, inverter panel)	
Ex battery charger			✓		✓*		

Note:

* Enhancement of the system's specifications, features and functions

Please refer to Section 6.1.2(a) of this Prospectus for details on the certification of our explosion proof systems, Section 6.5.3.2 of this Prospectus for details on our Ex switchracks, and Section 6.5.3.4(b) of this Prospectus for details on our Ex battery charger.

Additionally, we submitted a patent for battery enclosure with the MyIPO in Malaysia in 2020, with the Department of Intellectual Property (DIP), Ministry of Commerce in Thailand in 2023 and with the Directorate General of Intellectual Property (DGIP), Ministry of Law and Human Rights in Indonesia in 2023. These patents are currently being assessed. The patent is a utility patent for the structure of our internally designed Ex battery enclosure. As at the LPD, the patents are under assessment. Please refer to Section 6.5.17(c) of this Prospectus for further details on our patent.

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

R&D facilities and personnel

Our R&D activities are carried out at our head office and fabrication facility in Shah Alam, Selangor where we conceptualise, design, fabricate, and test our products/prototypes.

Currently, we do not have a dedicated team and department to carry out our R&D activities. As at the LPD, we have 5 employees who are involved on an ad-hoc basis in our R&D activities as and when required. They comprise one mechanical engineer, one draftsperson who is responsible for product conceptualisation and design, 2 production staff who fabricates the prototype and a testing executive who performs testing on prototypes. They are headed and supervised by our Executive Director cum Chief Executive Officer, Tan Bin Chee, who is an electrical engineer.

Moving forward, we intend to set up a dedicated R&D centre as part of our plans to develop new products and enhance existing products. Please refer to Section 6.6 of the Prospectus for details of our business strategies.

6.5.20 Regulatory requirements and environmental issues

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issue 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 to which our business is subject to.

Malaysia

(a) Employees' Minimum Standards of Housing and Amenities Act 1990 ("EMSHAA 1990"), Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("WMSHAAA 2019") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("Regulations 2020")

The EMSHAA 1990 prescribes the minimum standards of housing, nurseries and accommodation for employees (and their dependents, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

The EMSHAA 1990 was amended by the WMSHAAA 2019 where effective from 1 June 2020, employers must abide by enhanced minimum standards on accommodation for employees which includes obtaining a certificate for accommodation from the Department of Labour Peninsular Malaysia. To obtain the certificate for accommodation, Section 24F of the EMSHAA 1990 provides that an employer is required to ensure that every accommodation provided for employees complies with the minimum standards required under the EMSHAA 1990 or any regulations made thereunder which includes the Regulations 2020.

The Regulations 2020 came into force on 1 September 2020, giving three months grace period from the enforcement of the WMSHAAA 2019 i.e. 1 June 2020 to allow employers to make necessary arrangements to ensure compliance with the EMSHAA 1990.

Absence of certificate for accommodation for accommodation provided by employers to their employees is an offence under Section 24D of the EMSHAA 1990 and the employer shall, on conviction, be liable to a fine not exceeding RM50,000.

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

PMAS does not have Certificate for Accommodation for its foreign workers' accommodation from 1 September 2020 (date of the Regulations 2020 came into force) to 18 June 2022. PMAS has not been fined or issued with any notice of non-compliance from the Department of Labour Peninsular Malaysia in relation to the non-compliance from 1 September 2020 to 18 June 2022. Based on the enquiry of the Solicitors for our Listing in respect of the laws of Malaysia with an officer from the Department of Labour Peninsular Malaysia, the officer has provided verbal confirmation that there would not be any legal action taken against PMAS once the non-compliance has been rectified.

PMAS has on 18 June 2022 engaged Westlite Dormitory (Petaling Jaya) Sdn Bhd as its centralised accommodation provider for the accommodation provided to its foreign workers and the accommodations were issued with the certificate for accommodation by the Department of Labour Peninsular Malaysia.

(b) Employees Provident Fund Act 1991 ("EPF 1991"), Employees Social Security Act 1969 ("ESSA 1969"), Employment Insurance System Act 2017 ("EIS 2017") and Income Tax Act 1967 ("ITA 1967")

The EPF 1991, ESSA 1969, EIS 2017 and ITA 1967 provides that wages and fixed allowances payable to employees under his/her employment are subject to EPF, SOCSO, EIS and PCB.

Failure to comply with EPF 1991 will result in the employer to be liable to a fine not exceeding RM10,000 and/or imprisonment not exceeding 3 years.

Failure to comply with ESSA 1969 and EIS 2017 will result in the employer to be liable to a fine not exceeding RM10,000 and/or imprisonment not exceeding 2 years.

Failure to comply with the ITA 1967 will result in the employer to be liable to a fine not exceeding RM10,000 and shall pay a special penalty of double the amount of tax which has been undercharged in consequence of the incorrect return.

The Group had been fined a total of RM33,712.00 for the underpayment of EPF, SOCSO and EIS from 2015 to 2022 and a total of RM6,612.00 for the late payment of EPF, SOCSO, EIS and PCB for June 2021 by the respective authorities.

As at the LPD, the Group has paid all the above-mentioned fines, and has complied with EPF 1991, ESSA 1969, EIS 2017 and ITA 1967.

(c) Employment Act 1955 ("EA 1955")

The EA 1955 regulates all labour related matters including contracts of service, payment of wages, employment of women, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees.
Any person who commits any offence under, or contravenes any provision of the EA 1955, or any regulations, order or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000.00.

As at the LPD, our Group complies with the relevant provisions of the EA 1955 and has observed and will continue to ensure that we comply with the provisions of the EA 1955.

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

(d) Environmental Quality Act 1974 ("EQA 1974") and Environmental Quality (Scheduled Wastes) Regulations 2005 ("Regulations 2005")

The EQA 1974 sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment.

Under the EQA 1974, no person shall, unless licensed –

(i) emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere;

(ii) pollute or cause or permit to be polluted any soil or surface of any land; or

(iii) emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters;

in contravention of the acceptable conditions specified under the EQA 1974.

Any person who contravenes the above shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM500 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

The Regulations 2005 imposes an obligation on the waste generator to record, store, label, treat and dispose scheduled waste in accordance with the regulation. Failure to comply constitutes an offence and may be liable to a compound not exceeding RM2,000.

As at the LPD, our Group complies with the relevant provisions of the EQA 1974 and the Regulations 2005 as the disposal of our scheduled wastes is carried out by a licenced competent person and/or licensed service provider.

(e) Factories and Machinery Act 1967 ("FMA 1967") and Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 ("Regulations 1970")

FMA 1967 provides for the control of factories with respect to matters relating to the safety, health and welfare of persons working in a factory and matters connected therein.

An occupier of a factory has a duty to maintain the standards of safety, health and welfare of its factories and factory workers, and these includes provisions requiring the taking of precautions against fire, the proper maintenance of machinery, that every factory shall be kept in a clean state, the taking of effective and suitable provisions for securing and maintaining adequate ventilation and that effective provision shall be made for securing and maintaining sufficient and suitable lighting and the mandatory reporting of accidents and dangerous occurrences to the inspector of factories and machineries of Malaysia having jurisdiction for the area in which the accident or dangerous occurrence has taken place.

The Regulations 1970 provides that the owner of every steam boiler, unfired pressure vessel or hoisting machine other than a hoisting machine driven by manual power shall hold a valid certificate of fitness in respect thereof so long as such machinery remains in service.

No person shall operate or cause or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FMA 1967. Any person who contravenes this shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 3 years, or both.

Since our inception and up to the LPD, our Group has not been issued with any material penalties pursuant to the FMA 1967 and any regulations issued under the FMA 1967.

As at the LPD, our Group has obtained valid certificates of fitness for our machineries that require certifications under the FMA 1967 and has observed and will continue to ensure that we comply with the provisions of the FMA 1967.

(f) Industrial Co-ordination Act 1975 ("ICA 1975")

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Failure to comply is an offence and such person shall be liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

"Manufacturing activity" is defined under the ICA 1975 as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any articles or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Manufacturing companies with shareholders' funds of RM2.5 million and above or engaging 75 or more full-time paid employees are required to apply to MITI for a manufacturing licence.

As at the LPD, our subsidiary, SESB, which carry out manufacturing activity, holds a valid manufacturing licence issued by MITI.

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

Pursuant to Section 102 of the LGA 1976, local authorities are empowered to make, amend and revoke bylaws. Presently, the Group's business activities in Malaysia are carried out in Selangor and Johor and as such, we come under the jurisdiction of Shah Alam City Council, Petaling Jaya City Council, Subang Jaya City Council and Pasir Gudang City Council.

(i) The Licensing of Trades, Businesses and Industries (Shah Alam City Council) By-Laws 2007 ("**Shah Alam By-Laws**") provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of Shah Alam for any activity of trade, business and industry; or exhibit any advertisement, without a licence issued by the licensing authority. Any person who contravenes any provisions of the Shah Alam By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both such fine and imprisonment.

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

(ii) The Licensing of Trades, Businesses and Industries (Petaling Jaya City Council) By-Laws 2007 ("**Petaling Jaya By-Laws**") provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of Petaling Jaya for any activity of trade, business and industry without a licence issued by the licensing authority. Any person who contravenes any provision of the Petaling Jaya By-Laws shall be guilty of an offence, and may, upon conviction, be fined not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both, and for continuing offence, may be liable to a fine not exceeding RM200 for each day during which the offence continues.

(iii) The Licensing of Trades, Businesses and Industries (Subang Jaya City Council) By-Laws 2007 ("**Subang Jaya By-Laws**") provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of Subang Jaya for any activity of trade, business and industry without a licence issued by the licensing authority. Any person who contravenes any provision of the Subang Jaya By-Laws shall be guilty of an offence, and may, upon conviction, be fined not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both, and for continuing offence, may be liable to a fine not exceeding RM200 for each day during which the offence continues.

(iv) The Licensing of Trades, Businesses and Industries (Pasir Gudang City Council) By-Laws 2017 ("**Pasir Gudang By-Laws**") provides that no person shall use any place or premises in the local area of Pasir Gudang for any trade, business, or industrial activity without the license issued. Any person who uses any place or premises within the local area of Pasir Gudang for any trade, business, or industrial activity without a license issued by the chairman, commits an offence and may, upon conviction, be fined not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

SASB's office located at No. 45LG & 45-1, Jalan Suria Puchong 2, Pusat Perniagaan Suria, 47110 Puchong, Selangor has been operating without a business and signboard license from 16 September 2019 up to 1 March 2024. On 1 March 2024, SASB has applied the business and signboard license and on 3 April 2024, SASB has obtained the business and signboard licence from Subang Jaya City Council.

SESB's office located at 11-02, Jalan Sierra Perdana 6/3, Taman Sierra Perdana, 81750, Masai, Johor has been operating without a business and signboard license from 5 September 2017. On 7 March 2024, SESB has applied for the approval for signboard from Dewan Bahasa dan Pustaka before SESB can submit the application for business licence to Pasir Gudang City Council. On 2 April 2024, SESB has obtained the business and signboard licence from Pasir Gudang City Council.

As at the LPD, our Group holds and maintains valid business premise licences for all its operating business premises.

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

(h) Occupational Safety and Health Act 1994 ("OSHA 1994")

OSHA 1994 regulates, among others, the safety, health and welfare of persons at work, protecting others against the risks to safety or health in connection with the activities of the persons at work in various industries including the manufacturing industry.

Under the OSHA 1994, employers must, so far as is practicable, ensure the safety, health and welfare of all the employees at work, in particular:

(i) the provision and maintenance of plants and systems of work that are, so far as is practicable, safe and without risks to health;

(ii) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

(iii) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of all its employees;

(iv) so far as is practicable, the maintenance of a place of work that is in a safe condition and without risks to health; and

(v) the provision and maintenance of a working environment that is, so far as practicable, without risks to health, and adequate facilities for the welfare of employees at work.

Failure to carry out the aforementioned duties shall constitute an offence and the employer is liable to a fine not exceeding RM50,000 or to imprisonment for term not exceeding 2 years or to both. The employer shall also notify the nearest occupational safety and health office of any accident, dangerous occurrence, occupational poisoning or occupational disease which has occurred or is likely to occur at the place of work.

Since our inception and up to the LPD, our Group has not been issued with any penalties pursuant to the OSHA 1994 and any regulations issued under the OSHA 1994. Our Group has observed and will continue to ensure that we comply with the provisions of the OSHA 1994.

(i) Petroleum Development Act 1974 ("PDA 1974") and the Petroleum Regulation 1974 ("Regulations 1974")

PDA 1974 provides for exploration and exploitation of petroleum whether onshore or offshore by a corporation in which will be vested the entire ownership in and the exclusive rights, powers, liberties and privileges in respect of the said petroleum, and to control the carrying on of downstream activities and development relating to petroleum and its products; to provide for the establishment of a corporation under the law relating to the incorporation of companies and for the powers of that corporation; and to provide for matters connected therewith or incidental thereto. The Regulations 1974 is a regulation to regulate various aspects related to petroleum exploration and exploitation in Malaysia.

Any person who commences or continues any business or service mentioned in regulation 3 of the Regulations 1974 without a licence or fails to comply with any condition of any such licence shall be guilty of an offence and shall on conviction be

liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both and in the case of a continuing offence he shall be liable to a further fine of RM1,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

As at the LPD, our subsidiary, SESB and SEOG hold valid Petronas licences to supply the products/services to exploration and oil/gas companies in Malaysia.

(j) Street, Drainage and Building Act 1974 ("SDBA 1974") and the Uniform Building By-Laws 1984 ("UBBL 1984")

The SDBA 1974 is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC for the occupation of any building or any part thereof. The CCC shall be issued by a principal submitting person, in accordance with the time, manner and procedure for the issuance thereof as prescribed by this act or any by-laws made thereunder. Principal submitting person is a qualified person who submits building plans to the local authority for approval and includes any other qualified person who takes over the duties and responsibilities of or acts for the first mentioned qualified person.

Pursuant to the UBBL 1984, a qualified person, namely architect, registered building draughtsman or engineer, must be satisfied that, to their best knowledge:

(i) the relevant building has been constructed in accordance with UBBL 1984;

(ii) any conditions imposed by the local authorities has been satisfied;

(iii) all essential services have been provided; and

(iv) responsibilities have been accepted for the portions that are being concerned with.

Pursuant to the 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 or to imprisonment for a term not exceeding 10 years or to both.

As at the LPD, our Group holds valid CCC for all our owned and tenanted properties.

(k) Goods and Services Tax Act 2014 ("GSTA 2014")

Pursuant to Section 41(4) of the GSTA 2014, any taxable person who is required to furnish a return under this section shall pay to the Director General the amount of tax due and payable by him in respect of the taxable period to which the return relates not later than the last day on which he is required to furnish the return.

Any person who fails to pay to the Director General the amount of tax due and payable under Section 41(4) of the GSTA 2014 commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both.

The GSTA 2014 was repealed with effect from 1 September 2018, after the Sales Tax Act 2018 came into operation on 1 September 2018.

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

A total of RM2,285.94 was imposed on SESB by RMCD as penalties for late payment of GST for August 2018 taxable period. As at the LPD, SESB has paid the late payment penalties to RMCD on 1 February 2019.

(l) Sales Tax Act 2018 ("STA 2018")

Pursuant to Section 26(1) of the STA 2018, every taxable person shall, in respect of his taxable period, account for the sales tax due in a return as may be prescribed and the return shall be furnished to the Director General in the prescribed manner not later than the last day of the month following the end of his taxable period to which the return relates.

Pursuant to Section 26(5) of the STA 2018, any taxable person who is required to furnish a return under this section shall pay to the Director General the amount of sales tax due and payable by him in respect of the taxable period to which the return relates not later than the last day on which he is required to furnish the return.

Any taxable person who contravenes Section 26(1) and 26(5) of the STA 2018 commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both.

A total of RM2,899.49 was imposed on PMAS by RMCD as penalty for late submission of sales tax return and late sales tax payment from June 2020 to July 2020. As at the LPD, PMAS has paid the late payment penalty to RMCD on 7 September 2020, and the Group confirmed that they have complied with the STA 2018.

(m) Electricity Supply Act 1990 ("ESA 1990") and the Electricity Regulations 1994 ("Regulations 1994")

The ESA 1990 regulates the electricity supply industry, the supply of electricity at reasonable prices, the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

Under the ESA 1990, any licensee who without the express authority from the Energy Commission constructs any electrical work outside the area of supply specified in the licence commits an offence and shall, on conviction, be liable to a fine not exceeding RM5,000, and any such unauthorised line or work may, after conviction, be removed by order of the Energy Commission, and if such order is not complied with, the reasonable costs of such removal may be recovered from the licensee.

Regulation 75 of the Regulations 1994 provides that no person shall perform or carry out any electrical work unless he holds a valid certificate of registration as an electrical contractor issued under the Regulations 1994. Regulations 76(b) and 78(2) of the Regulations 1994 provide that no certificate of registration as an electrical contractor shall be issued or renewed unless the Energy Commission is satisfied that the person employs:-

(i) on a full-time basis at least 3 wiremen with three phase restriction, and nothing in this paragraph prohibits him to be one of the 3 wiremen;

(ii) on a full-time basis at least 1 wireman with three phase restriction authorised to test an installation, and nothing in this paragraph prohibits the wireman from being one of the 3 wiremen with three phase restriction as provided in (i); and

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

(iii) on a full-time basis at least 2 wiremen with single phase restriction, and nothing in this paragraph prohibits him to be one of the 2 wiremen.

Regulation 92 of the Regulations 1994 provides that no person shall, in the course of or in connection with or for the purposes of any trade or business carried on by him, make any switchboard unless he holds a valid certificate of registration as a switchboard manufacturer, issued under the Regulations 1994. Regulations 93(b) and 93(c) of the Regulations 1994 provide that no certificate of registration as a switchboard manufacturer for a switchboard plating at low voltage shall be issued or renewed unless the Energy Commission is satisfied that the person employs:-

(i) on a full-time basis at least 1 wireman with three phase restriction, and nothing in this paragraph prohibits him to be the wireman; and

(ii) on a full-time basis at least 1 chargeman with the relevant restriction to be determined by the Energy Commission, and nothing in this paragraph prohibits the person, the chargeman and the wireman with three phase restriction as stated in (i) to be one and the same person.

Failure to comply with any of the provisions of the Regulations 1994 constitutes an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 1 year or to both.

SESB initially holds valid certificates of registration as an electrical contractor and switchboard manufacturer under Regulations 75 and 92 of the Regulations 1994. Pursuant to SEOG's decision to gradually apply for all the SWEC codes that were held under SESB's Petronas Licence, and upon the expiry of the SESB's certificates of registration as an electrical contractor and switchboard manufacturer under Regulations 75 and 92 of the Regulations 1994, SEOG applied for the aforesaid certificates of registration as an electrical contractor and switchboard manufacturer.

SEOG holds certificates of registration under Regulations 75 and 92 of the Regulations 1994 expiring on 30 May 2025 and 1 August 2024 respectively. Subsequently, SEOG has on 17 April 2024 applied to the Energy Commission to cancel the aforesaid certificates of registration and upon cancellation thereof, SESB applied for the certificates of registration under Regulations 75 and 92 of the Regulations 1994 on 23 April 2024 and obtained them on 29 April 2024.

The wireman and chargeman as required pursuant to Regulations 76(b), 78(2), 93(b) and 93(c) of the Regulations 1994 were previously registered with SEOG and SESB. Upon SESB being registered as an electrical contractor and switchboard manufacturer, the wiremen and chargeman have been registered with SESB on 29 April 2024.

Based on our enquiry with an officer from the Energy Commission, she confirmed that no actions shall be taken against SESB as an electrical contractor and for manufacturing switchboards without valid certificates prior to applying for the certificates of registration as an electrical contractor and switchboard manufacturer with the Energy Commission. She further confirmed that no actions shall be taken against SESB for the transfer of the wiremen from SEOG to SESB.

As at the LPD, our subsidiary, SESB, holds valid certificates of registration to carry out electrical work as an electrical contractor and to operate switchboard manufacturing business at our fabrication facilities located at Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia. The chargeman and wiremen of SESB have valid certificates of competency as chargeman and wiremen.

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

Singapore

(a) Personal Data Protection Act 2012 of Singapore ("PDPA")

The PDPA governs the collection, use and disclosure of individuals' personal data by organisations. An organisation is required to comply with the following obligations:

(i) the consent of individuals must be obtained before collecting, using or disclosing his personal data, save where the individual has given, or is deemed to have given, his or her consent and where authorised under the PDPA or any other written law;

(ii) organisations must notify the individual of the purpose(s) for the collection, use or disclosure of the individual's personal data on or before such collection, use or disclosure of the personal data;

(iii) organisations may collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances and, if applicable, have been informed to the individual concerned;

(iv) organisations must upon request by the relevant individual, (A) provide such individual with his or her personal data that is in the possession or under the control of the organisation and information about the ways in which the personal data has been or may have been used or disclosed by the organisation during the past year since such request; and (B) correct an error or omission in an individual's personal data that is in the possession or under the control of the organisation;

(v) organisations must make a reasonable effort to ensure that personal data collected by or on behalf of the organisation is accurate and complete if the personal data is likely to be used by the organisation to make a decision that affects the individual concerned or likely to be disclosed by the organisation to another organisation;

(vi) organisations must protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks, and the loss of any storage medium or device on which personal data is stored;

(vii) organisations must cease to retain documents containing personal data, or remove the means by which the personal data can be associated with particular individuals as soon as it is reasonable to assume that (A) the purpose for which the personal data was collected is no longer being served by retention of the personal data; and (B) retention is no longer necessary for legal or business purposes;

(viii) organisations must not transfer any personal data to a country or territory outside Singapore except in accordance with the requirements prescribed under the PDPA; and

(ix) organisations must, *inter alia*, develop and implement the necessary policies and practices in order to meet their obligations under the PDPA and make information about, amongst others, its policies and practices available on request.

If an organisation is found to be in breach of the PDPA, the Personal Data Protection Commission of Singapore may require it to, *inter alia*, (i) stop collecting, using or disclosing personal data in contravention of the PDPA; (ii) destroy personal data collected in contravention of the PDPA; (iii) provide access to or correct the personal data; and/or (iv) pay a financial penalty of an amount not exceeding SGD1.00 million. A contravention of the PDPA may also give rise to civil or criminal liabilities.

As at the LPD, SE Singapore complies with the relevant provisions of the PDPA and has observed and will continue to ensure that it complies with the provisions of the PDPA.

(b) Work Injury Compensation Act 2019 of Singapore ("WICA") and the Regulations thereunder

The WICA, which is regulated by the Ministry of Manpower ("**MOM**"), applies to all employees in all industries who are engaged under a contract of service, with the exception of domestic workers, members of the Singapore Armed Forces, and officers of the Singapore Police Force, Singapore Civil Defence Force, Central Narcotics Bureau and Singapore Prisons Service. The WICA is in regard to injury suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation under the WICA if personal injury is caused to an employee by accident arising out of and in the course of the employee's employment with the employer. The Work Injury Compensation (Insurance) Regulations 2020 provides that employers are required to maintain work injury compensation insurance for all employees doing manual work and all employees earning less than SGD2,600 per month.

The WICA does not cover self-employed persons or independent contractors. However, as the WICA provides that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the subcontractor employer), the principal shall be liable to compensate those employees of the subcontractor employer who were injured while employed in the execution of work for the principal.

The WICA provides that if an employee becomes incapacitated or dies due to an occupational disease contracted out of and in the course of the employment, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. An injured employee is entitled to claim medical leave wages, medical expenses and lump sum compensation for permanent incapacity or death, subject to certain limits stipulated in the WICA.

Under Section 24(1) of the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed him, unless specifically exempted. The compensation limits for death and permanent incapacity are SGD225,000 and SGD289,000, respectively. The compensation limit for medical treatment is the cost of medical treatment received by the employee within a period of one year after the date of the accident causing the injury, or SGD45,000, whichever is the lower.

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

As at the LPD, SE Singapore complies with the relevant provisions of the WICA and has observed and will continue to ensure that it complies with the provisions of the WICA.

(c) Regulation of Imports and Exports Act 1995 ("RIEA 1995") and Regulation of Imports and Exports Regulations ("RIER")

The RIEA 1995 is administered by the Director-General of Singapore Customs appointed under Section 4(1) of the Customs Act 1960 of Singapore, and provides for the regulation, registration and control of imports and exports. The relevant regulatory body is the Singapore Customs. RIER requires permits to be granted for the import, export or transhipment of certain goods.

Any importer, exporter, shipping agent, air cargo agent, freight forwarder, common carrier or other person who desires to obtain a permit, certificate or any other document or form of approval for any purposes of the RIEA 1995 or any regulations made thereunder, the application for which involves a declaration being made, is a "declaring entity". Under Regulation 35B of the RIER, unless the Director-General of Singapore Customs allows in any particular case, no declaration may be made for any purposes of the RIEA 1995 or any regulations made thereunder unless the declaring entity, and the declaring agent and the declarant, are registered by the Director-General of Singapore Customs prior to the making of the declaration.

Except where otherwise provided, any person who is guilty of an offence under the RIER shall be liable, (a) on the first conviction to a fine not exceeding SGD100,000 or 3 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 2 years or to both; and (b) on the second or subsequent conviction to a fine not exceeding SGD200,000 or 4 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 3 years or to both.

As at the LPD, SE Singapore has been registered with the Director-General of Singapore Customs as a declaring entity.

(d) Employment Act 1968 of Singapore ("EA")

The EA is administered by the MOM and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees. With effect from 1 April 2019, the EA extends to all employees, including persons employed in managerial or executive positions, with certain exceptions.

In particular, Part 4 of the EA sets out rights and protections around rest days, hours of work, overtime and other conditions of service for workmen (as defined in the EA) who receive salaries not exceeding SGD4,500 a month and employees (other than workmen) who are not employed in a managerial or executive position and who receive salaries not exceeding SGD2,600 a month (the "**relevant employees**"). Section 38(8) of the EA provides that a relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to, *inter alia*, the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month. Employers must seek the prior approval of the Commissioner for Labour ("**Commissioner**") for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month.

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

The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees or class of employees are employed.

As at the LPD, SE Singapore complies with the relevant provisions of the EA and has observed and will continue to ensure that it complies with the provisions of the EA.

(e) Central Provident Fund Act 1953 of Singapore ("CPF Act")

The Central Provident Fund ("**CPF**") system is a mandatory social security savings plan funded by contributions from employers and employees. The CPF Act obligates an employer to make CPF contributions for all employees who are Singapore citizens or permanent residents in Singapore under a contract of service. CPF contributions do not apply to foreigners holding employment passes, S-passes or work permits.

CPF contributions are required for both ordinary wages and additional wages up to the annual ceiling at the applicable prescribed rates which vary based on monthly wages and the age of the employee. An employer must pay both the employer's and employee's shares of the monthly CPF contributions for employees who are Singapore citizens or Singapore permanent residents. CPF contributions are due at the end of the month and an employer has a grace period of 14 days to make payment. An employer may recover the employee's share of CPF contributions through deductions from salary payments. For where there is failure to comply with the CPF Act, an employer may be liable to pay late payment interest charged at 18% per annum (1.5% per month), starting from the first day of the following month after the contributions are due. The minimum interest payable is SGD5 per month. If convicted of an offence under the CPF Act, the employer may also be liable to a fine not exceeding SGD5,000 and no less than SGD1,000 or to imprisonment for a term not exceeding 6 months or to both; and if that person is a repeat offender in relation to the same offence, to a fine not exceeding SGD10,000 and no less than SGD2,000 or to imprisonment for a term not exceeding 12 months or to both.

As at the LPD, SE Singapore complies with the relevant provisions of the CPF Act and has observed and will continue to ensure that it complies with the provisions of the CPF Act.

(f) Companies Act 1967 of Singapore ("Companies Act")

The Companies Act and its subsidiary legislation regulate, *inter alia*, the business formation, company structure, shareholder rights, duties of directors and officers and specify other compliance requirements, such as capital maintenance, declaration of dividends, and restrictions against acquisition of shares in the company. Under the Companies Act, a Singapore company has full rights, powers, privileges and capacity to carry on or undertake any business or activity not restricted under its constitution or under applicable law.

As at the LPD, SE Singapore complies with the relevant provisions of the Companies Act and has observed and will continue to ensure that it complies with the provisions of the Companies Act.

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

(g) Income Tax Act 1947 of Singapore ("SITA")

Generally, a company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore in the preceding calendar year.

Singapore corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and on foreign income received or deemed to be received in Singapore unless otherwise exempted.

The corporate income tax rate in Singapore has been fixed at 17% since 2010. Tax is calculated based on a company's chargeable income, *i.e.*, a company's taxable income (after deducting tax-allowable expenses) for the Year of Assessment. Eligible companies enjoy partial tax exemption prevailing from time to time at reduced tax rates for part of the chargeable income.

As at the LPD, SE Singapore complies with the relevant provisions of the SITA and has observed and will continue to ensure that it complies with the provisions of the SITA.

(h) Goods and Services Tax Act 1993 of Singapore ("GST Act 1993")

Under the GST Act 1993, all goods and services tax registered businesses are responsible for, inter alia, filing their goods and services tax returns on time.

Section 60(2) of the GST Act 1993 provides that if any return is not made by a taxable person before the expiry of the period prescribed in regulations made under section 41 of the GST Act 1993 for the return, the taxable person must pay a penalty that is the sum total of the following amounts, not exceeding in any case SGD10,000:

(i) SGD200;

(ii) SGD200 for each completed month that the taxable person continues not to make the return, commencing on the day immediately after the last day of the period prescribed.

A total of SGD200 was imposed on SE Singapore by Inland Revenue Authority of Singapore as penalty for the late submission of GST return for quarter ended September 2022. As at the LPD, SE Singapore has paid the late payment penalty to Inland Revenue Authority of Singapore on 31 October 2022, and the Group confirmed that they have complied with the GST Act 1993.

PRC

(a) Company Law of the PRC (中华人民共和国公司法)

The Company Law of the People's Republic of China governs the establishment, organization, operation, and termination of companies in China. It sets forth regulations regarding shareholder rights and obligations, corporate governance structures, financial reporting, and other key aspects of company management. Penalties for violation can range from warnings and fines (up to RMB 2,000,000 or 15% the amount of violation involved) to the revocation of business licenses and criminal charges for serious violations like fraudulent activities. Penalties can be imposed on both the company and the responsible persons.

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

As at the LPD, Chongqing Swift China complies with the relevant provisions of the Company Law of the PRC and has observed and will continue to ensure that it complies with the provisions of the Company Law of the PRC.

(b) Foreign Investment Law of the PRC (中华人民共和国外商投资法)

The Foreign Investment Law of the People's Republic of China regulates foreign investment in China, including provisions promoting foreign investments, protecting foreign investments, and management of foreign investment. It aims to create a more level playing field for foreign investors and promote a more open and transparent investment environment. Penalties for violation can lead to fines (up to RMB 500,000), confiscation of illegal gains, recorded into credit information system, suspension of operations, or even revocation of the business license.

As at the LPD, Chongqing Swift China complies with the relevant provisions of the Foreign Investment Law of the PRC and has observed and will continue to ensure that it complies with the provisions of the Foreign Investment Law of the PRC.

(c) Environment Protection Law of the PRC (中华人民共和国环境保护法)

The Environmental Protection Law of the People's Republic of China is the overarching legislation governing environmental protection in China. It sets forth principles for environmental management, pollution prevention and control, ecological protection, public participation and the promotion of sustainable development of the economy. Penalties for violation range from order for rectification and fines (with no upper limit), confiscation of illegal gains, detention of responsible persons (up to 15 days) to order to cease production and criminal liability for severe pollution or ecological damage. Penalties can be imposed on both the company and the responsible persons.

As at the LPD, Chongqing Swift China complies with the relevant provisions of the Environmental Protection Law of the PRC and has observed and will continue to ensure that it complies with the provisions of the Environmental Protection Law of the PRC.

(d) Corporate Income Tax Law of the RPC (中华人民共和国企业所得税法)

The Corporate Income Tax Law of the People's Republic of China governs the taxation of corporate income in China. It sets forth the tax rates, taxable income calculation methods, tax incentives, and other relevant provisions. Penalties for violation range from order for rectification and fines (up to RMB 500,000 or five times the amount of unpaid tax), late payment fees, to revocation of business license and potential criminal charges for tax evasion or fraud. Penalties can be imposed on both the company and the responsible persons.

As at the LPD, Chongqing Swift China complies with the relevant provisions of the Corporate Income Tax Law of the PRC and has observed and will continue to ensure that it complies with the provisions of the Corporate Income Tax Law of the PRC.

(e) Social Security Law of the PRC (中华人民共和国社会保险法)

The Social Security Law of the People's Republic of China provides the social security system covering basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. It provides the obligations of employers and employees regarding social security contributions and benefits. Penalties for violation range from fines (varying based on the specific

violation and local regulations), late payment fees, to orders to pay outstanding contributions.

As at the LPD, Chongqing Swift China complies with the relevant provisions of the Social Security Law of the PRC and has observed and will continue to ensure that it complies with the provisions of the Social Security Law of the PRC.

Thailand

(a) Foreign Business Act B.E. 2542 (1999) ("FBA 1999")

Thailand is prohibited to foreigners unless a foreign business license is obtained, SE Thailand is required to obtain a FBL from the Department of Business Development, the Ministry of Commerce of Thailand. In this regards, SE Thailand has obtained the FBL. However, the FBL provides certain conditions that SE Thailand must comply with, including the requirement that one of the responsible persons of SE Thailand (i.e., an authorised director) must be domiciled or premised in Thailand at all times. Previously, none of the directors of SE Thailand has been domiciled or premised in Thailand. Failure to comply with the conditions of the FBL could potentially result in the authority withdrawing the FBL. In this regard, on 31 January 2024, the meeting of the shareholders of SE Thailand has resolved to approve Ms. Pacharapat Petpudpong, a Thai national who is domiciled in Thailand, as an authorised director of SE Thailand. SE Thailand has registered the appointment with the Department of Business Development, the Ministry of Commerce of Thailand on 13 February 2024, with certain limitations on her authority.

Based on the discussion with the officer at the Foreign Business Operation Department (the authority in charge of the FBA 1999) on 29 February 2024, despite the limitations placed on the authorisation of Ms. Pacharapat Petpudpong (the newly appointed authorised director domiciled in Thailand), the officer is of the view that SE Thailand is in compliance with this condition.

Further, the FBL indicates that SE Thailand has a maintenance and repair services for the electrical equipment at its head office, 1011 Supalai Grand Tower Rama III, Chong Nonsi, Yannawa, Bangkok. This information contradicts the current address of SE Thailand. According to the FBA 1999, if the license grantee relocates its office or place of business, the grantee must notify the registrar of foreign business within 15 days of the relocation date. Failure to comply with this provision may result in a fine not exceeding THB 5,000 for the license grantee.

On 20 February 2024, SE Thailand has notified the registrar of foreign business at the Ministry of Commerce of the change in its address. The change of address has been effected on 23 February 2024, and a fine of THB 3,000 has been charged to and paid by SE Thailand.

As at the LPD, SE Thailand complies with the relevant provisions of the FBA 1999 and has observed and will continue to ensure that it complies with the provisions of the FBA 1999.

(b) Product Liability Act B.E. 2551 (2008) ("PLA")

In Thailand, PLA prescribes that Entrepreneurs (which refers to, *inter alia*, (i) manufacturer or hirer, (ii) importer, or (iii) seller) be jointly liable to the injured person for the damages caused by the unsafe product, regardless of whether the damages are intentionally or negligently caused by the Entrepreneur(s); the PLA prescribes that

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

the seller(s) shall only be liable in the case where the manufacturer, the hirer, or the importer cannot be identified.

In this regard, an "unsafe product" refers to a product which causes or may cause damages either by its manufacture defect; or its design defect; or by having no instruction preservation, warning messages, or relevant information about the product; or having incorrect or unclear information with regards to its nature including its usual usage and preservation.

Under the PLA, the injured person needs only to prove that he or she suffers from damages caused by the Entrepreneur's products and the usage or preservation of such products by its nature without needing to prove which Entrepreneur causes such damage. However, an Entrepreneur shall not be liable for damages caused by the unsafe products if they can prove that: (i) such products are not unsafe products; (ii) the injured person has already been aware that the products are unsafe; or, (iii) the damages were caused by an incorrect usage or preservation when an Entrepreneur has put the correct and clear usage, preservation, warning message or relevant information on the product.

SE Thailand has not received any claims or disputes arising from the usage of SE Thailand products, nor has it been investigated by authorised officers under the PLA since its incorporation and up to the LPD.

As at the LPD, SE Thailand complies with the relevant provisions of the PLA and has observed and will continue to ensure that it complies with the provisions of the PLA.

To reduce the risk of non-compliance with statutory requirements, the following measures have been undertaken to enhance our internal control system and to prevent the recurrence of underpayment and late payment of statutory deductions incidents set out above:

(a) established a Compliance Management Procedure on 7 September 2022 to manage our compliance matters, including a compliance obligation register, and procedures on managing compliance issues and incidents, to ensure strict compliance to all relevant rules and regulations;

(b) enhanced the Human Resources policies, procedures and guidelines to incorporate a process to ensure prompt payments to relevant authorities; and

(c) corrected the payroll system setting to align with the statutory requirements.

Save as disclosed above, there are no non-compliances with the aforesaid laws, regulations, rules and requirements since the commencement of operations of our Group and 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. INFORMATION ON OUR GROUP *(Cont'd)*

6.5.21 Interruptions to our business and operations

Save for our business suspension in Malaysia, China, Singapore and Thailand arising from the restrictions imposed in the respective countries to contain the COVID-19 pandemic, our Group has not experienced any other interruption in business which had a significant effect on our operations during the Financial Period Under Review and up to the LPD.

Impact of COVID-19 on our Group's business operations

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. As a result, we experienced some temporary interruptions to our business operations in Malaysia, China, Singapore, and Thailand due to the restrictions imposed in the respective countries to contain the COVID-19 pandemic. The impact of the COVID-19 pandemic on our business operations is described in the following sections.

(a) Impact on our operations in Malaysia

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the Government of Malaysia implemented measures to reduce COVID-19 transmission in the country, which included, among others, controls on the movement of people within Malaysia, controls on international travel, and restrictions on business, government, educational, cultural, recreational and other activities. Our business operations in Malaysia were temporarily interrupted by these measures.

The first MCO period was from 18 March 2020 to 3 May 2020, and the control measures implemented included, among others, the closure of all businesses except for those classified as essential services or that have received written approval from the MITI to operate, restrictions on the movement of people in Malaysia, and restrictions on international travel into and out of Malaysia.

We closed our fabrication facilities on 18 March 2020 under the first MCO. Our staff who performed executive, administrative and sales and marketing functions worked from home, whenever possible, while our fabrication activities at our fabrication facility were temporarily halted. Subsequently, we resumed operations on 20 April 2020 upon receiving the written approvals from MITI to operate while following the relevant SOP and guidelines.

From 4 May 2020 up to June 2021, the MCO went through various phases in Malaysia including CMCO, RMCO and EMCO where restrictions were relaxed or tightened for specific states, districts and/or locations, based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government of Malaysia announced the National Recovery Plan ("**NRP**"), a phased exit strategy from the COVID-19 pandemic consisting of 4 phases where restrictions were gradually eased in each phase. Subsequently, on 1 April 2022, the Government of Malaysia announced that Malaysia was in the "Transition to Endemic" phase where all economic sectors are allowed to operate, and interstate and international travel are allowed, subject to adherence to the relevant SOP and guidelines.

During the various phases of the MCO including CMCO, RMCO and EMCO, the NRP and the Transition to Endemic Phase, we continued to operate according to the specified guidelines and SOP including specified workforce capacity during the respective periods.

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

(b) Impact on our operations in China

On 23 January 2020, the central government of China imposed a lockdown in Wuhan and other cities in Hubei to control the spread of COVID-19. Subsequently, the central government of China implemented similar measures to other cities in China up until 2022.

There was no lockdown imposed in the location where our subsidiary, Chongqing Swift China, operates in Yu Bei district in Chongqing, China from January 2020 up until November 2022. During this period, there were minimal interruptions to our business operations in China as we were able to service our customers.

In early November 2022, the government of China implemented lockdown measures in the Yubei district in Chongqing closing schools and baring residents from leaving selected apartment compounds for approximately 1 month. During this period, our business operations in Chongqing were temporarily interrupted and our employees had to work from home during the period. Several jobs such as the site acceptance test were unable to be completed as we were unable to access the customer's site.

Since the authorities lifted the COVID-19 restrictions at the end of November 2022, we resumed our operations in China and have since fulfilled the delayed works, as at the LPD.

(c) Impact on our operations in Singapore

To control the spread of COVID-19, the government of Singapore imposed strict circuit breaker lockdown measures from 7 April 2020 to 1 June 2020, which included the closure of non-essential workplaces, places of worship and entertainment venues, reduced crowd density in retail outlets, and restrictions on gatherings. These measures were subsequently gradually lifted as conditions permitted.

SE Singapore's operations were affected during the circuit breaker lockdown period, however our sales and marketing, and administrative staff in Singapore worked from home, where possible, and there was minimal disruption to these functions.

(d) Impact on our operations in Thailand

The Royal Thai Government declared and enforced a State of Emergency Decree on 26 March 2020 and implemented various restrictions and measures including a nationwide night-time curfew, interprovincial travel restrictions, and closure of certain non-essential establishments in 2020 and 2021. During these periods, our sales and marketing, and administrative staff in Bangkok worked from home, where possible, and there was minimal disruption to these functions.

Impact of on our business operations and financial performance

In FYE 2021, we were allowed to operate according to the respective Government's guidelines and SOP and there was no material interruption to our business operations in Malaysia, China, Singapore and Thailand.

Nevertheless, our financial performance in FYE 2021 was partly affected by the COVID-19 due to the restrictions imposed by certain foreign countries which caused delays in system installation for our customers. Consequently, these customers requested adjustments to project timelines and delivery schedule, which then affected our production schedule. This caused a delay in revenue recognition for some of our projects.

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

Impact of on our supply chain

During the COVID-19 pandemic, we faced some delays in obtaining certain materials from our suppliers as there were disruptions in the global supply chain of semiconductors which is a component of some of our materials, such as PLCs. Nevertheless, as at the LPD, our business operations were not materially impacted by the global shortage of semiconductors given the following factors:

- Some of our customers agreed to partial delivery of products and systems while waiting for the delivery of certain parts and components, such as PLCs.
- Some of our customers agreed with the longer lead time, this allows us to have a longer period to plan and source our materials.
- Our long-standing business relationships with our major suppliers particularly Siemens that gives us priority to procure materials.
- We plan and place orders ahead with our suppliers to secure our materials.

Impact of COVID-19 on the sales of our Group

We did not experience any material negative impact on our sales from the various disruptions on our operations in Malaysia, China, Singapore and Thailand due to COVID-19, as demonstrated by our increase in revenue from our sales from RM56.12 million in FYE 2021 to RM81.84 million and RM92.43 million in FYE 2022 and FYE 2023, respectively.

(The rest of this page is intentionally left blank)

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

6.6 OUR BUSINESS STRATEGIES

Moving forward, our strategy is to leverage our core competency and strengths as a provider of industrial automation and power systems including process control, power distribution, Ex solar PV and other systems to serve as a platform to address business opportunities and growth.

6.6.1 Expansion of fabrication facility, storage, office and new R&D centre

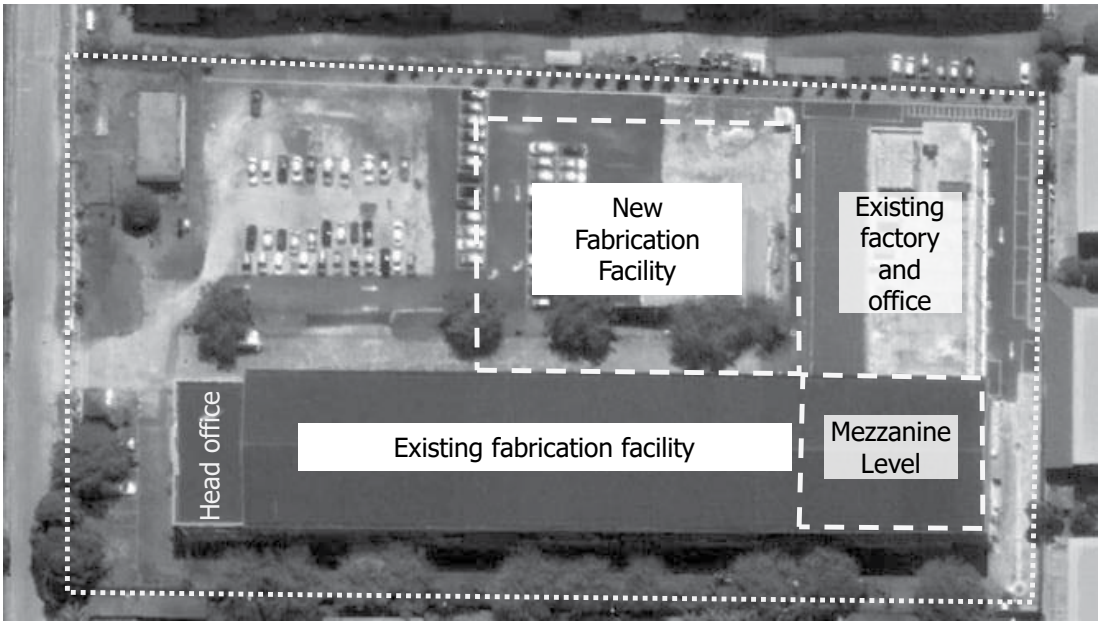
As at the LPD, our head office and fabrication facility in Malaysia is located at Shah Alam, Selangor on a land size of 165,529 sq ft with a factory building with built-up areas of 69,950 sq ft. Out of 69,950 sq ft, 45,500 sq ft is dedicated to fabrication operations including machining, metal fabrication works, panel assembly, and testing facilities, 4,100 sq ft is for storage of incoming materials, and 19,000 sq ft for our office space including our head office. The remaining built-up area is the guard house, TNB substation and refuse chamber.

To cater for our Group's business expansion and capture the growing demand for our products and system as well as our ability to undertake more projects or orders simultaneously, we plan to expand our fabrication facilities by installing a mezzanine level within our existing fabrication facility and constructing a new 3-storey fabrication facility at the area within the compound of our existing head office and fabrication facility.

Upon completion of the installation of the Mezzanine Level and construction of New Fabrication Facility, the total built-up area of our head office and fabrication facility is expected to be increased by approximately 86,760 sq ft from 69,950 sq ft to 156,710 sq ft. The Mezzanine Level and New Fabrication Facility are depicted in the diagram below:

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

Our proposed expansion plans on existing Shah Alam factory in Selangor, Malaysia



(a) Installation of Mezzanine Level

Our Group intends to install a new mezzanine level within our existing fabrication facility in Malaysia by 2025. The Mezzanine Level will be installed above the existing production floor and is expected to increase the usable floor area by 7,640 sq ft or approximately 23.82% from approximately 32,070 sq ft to approximately 39,710 sq ft. Our Group intends to use the Mezzanine Level for storage purposes.

(b) Construction of New Fabrication Facility

Our Group intends to construct a new 3-storey fabrication facility on the land beside our existing fabrication facility which is currently used for our storage and car park purposes.

The New Fabrication Facility is expected to have a total floor space of approximately 83,220 sq ft. We intend to divide the space into different floors – the ground floor will serve as a parking lot for cars and motorcycles covering approximately 27,740 sq ft. The first floor will primarily serve as our production area along with a dedicated project meeting room, covering approximately 27,740 sq ft. On the second floor, we will house both production facilities and an R&D centre, covering approximately 27,740 sq ft. The R&D centre will be equipped with computer-aided design hardware and software as well as to facilitate the design, research and testing of innovative ideas and products aimed at enhancing our product offerings. Please refer to Section 6.6.4 of this Prospectus for further details on our plans to set up our R&D centre. The expansion of our fabrication facility is a strategic move for us to grow and enhance our efficiency and productivity.

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

The following is the estimated timeline for the expansion of our fabrication facility:

Event	Tentative timeline	
	Installation of Mezzanine Level	**Construction of New Fabrication Facility**
▪ Finalisation of building layout plan	4th quarter of 2024	2nd quarter of 2025
▪ Submission of planning layout plan and building plan to relevant authorities ▪ Receipt of approval from the relevant authorities ▪ Commencement of works	1st quarter of 2025	2nd quarter of 2026
▪ Completion of works ▪ Application of CCC ▪ Commencement of operation	2nd quarter of 2025	4th quarter of 2027

The estimated cost for the construction of the building extension is RM30.93 million which will be funded by a combination of IPO proceeds, bank borrowings and/or internally generated funds, as follows:

Details	**RM'000**	**%**
Installation of Mezzanine Level	1,375	4.45
Construction of a New Fabrication Facility	25,776	83.35
Consultation and submission fees	3,775	12.20
Total	**30,926**	**100.00**

We intend to allocate RM28.00 million or 39.97% of the gross proceeds from our Public Issue to partially finance the said expansion of our fabrication facility, storage, office and new R&D centre while the remaining via our Group's internally generated funds and/or bank borrowings.

6.6.2 Expansion of operations in Indonesia

We intend to expand our business in Indonesia by setting up a wholly-owned subsidiary with an office based in Jakarta, Indonesia to capture the demand for our products and system in Indonesia and enable our Group to better serve our existing customers as well as secure new customers in Indonesia.

For the Financial Period Under Review, our revenue from Indonesia (based on the geographical location of the project) represented 1.66% (RM0.93 million), 3.87% (RM3.17 million), 1.27% (RM1.18 million) and 0.18% (RM0.15 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024, respectively. As at the LPD, we are servicing customers in Indonesia via our Malaysia operations where sales were either made directly to plant owners and operators or indirectly through EPCC or engineering companies. To carry out projects and provide services in Indonesia, we have arrangements with our Indonesian customers where they will obtain the necessary local permits for our employees.

Since our first project in Indonesia and up to the LPD, we have installed systems in many plants across the country. Many of these plants may require after sales technical services. Therefore, we plan to establish a company and office in Indonesia to facilitate the permit application process,

as well as support our existing customer base. We intend to secure projects for the provision of process control system and power distribution system as well as provision of techinical services.

We plan to commence business operations at our office in Jakarta, Indonesia by 2nd quarter of 2025. Thereafter, we will gradually begin recruiting sales and marketing personnel and engineering technicians from 3rd quarter of 2025 onwards, with the aim of achieving 4 headcounts by 1st quarter of 2026. To ensure a seamless transition into the Indonesian market, our key senior management from our Malaysia office will travel to Jakarta to commence the setup of the Jakarta office, which amongst others includes, identifying the office location, completing the company registration in accordance with the local regulations and laws, applying necessary licenses and permits for our business operation as well as opening local bank accounts. The recruitment of sales and marketing personnel and engineering technicians will commence once we have established a solid foundation in Jakarta and are well-prepared to begin identifying and onboarding the talents to support our business expansion.

The estimated cost for the expansion of our business in Indonesia is estimated at RM4.03 million which will be funded by IPO proceeds, as follows:

Expansion of our business in Indonesia	**Estimated cost RM'000**
Setup cost of office	3,000
Staff costs for 2 sales and marketing personnel and 2 engineering technicians	550
Marketing activities	480
Total	**4,030**

We intend to allocate RM4.03 million or 5.75% of the gross proceeds from our Public Issue to finance the expansion of our business in Indonesia.

6.6.3 Purchase of new machineries, equipment and software

Moving forward and upon the commencement of construction of our New Fabrication Facility by 2027, we plan to purchase new machineries, equipment, and software to expand our fabrication operations, as follows:

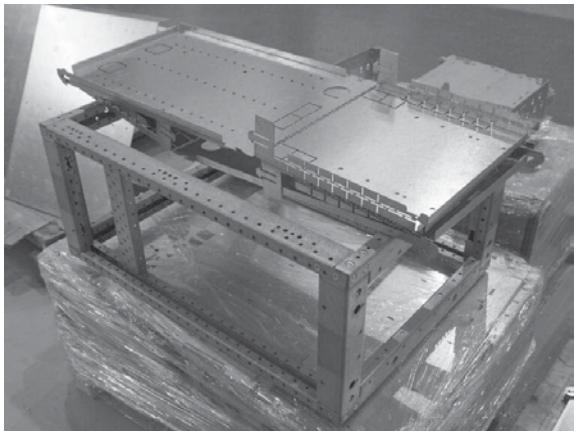
- 1 unit of CNC turret punching machine for cutting, shaping and forming metal sheets to create the components needed for enclosures or boxes;
- 1 unit of CNC metal bending machine for re-shaping metal sheets to create the components required for enclosures or boxes;
- 1 unit of 10-tonne overhead crane for lifting and moving heavy loads such as assembled panels, metal skids and enclosures within our production floor; and
- 2 user licenses for CAD/CAM software to aid the design of components and creation of fabrication toolpaths/steps for the CNC turret punching machine and bending machine.

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

As at the LPD, we have 1 unit of CNC turret punching machine and 2 units of CNC metal bending machines, all of which are 12 years old.

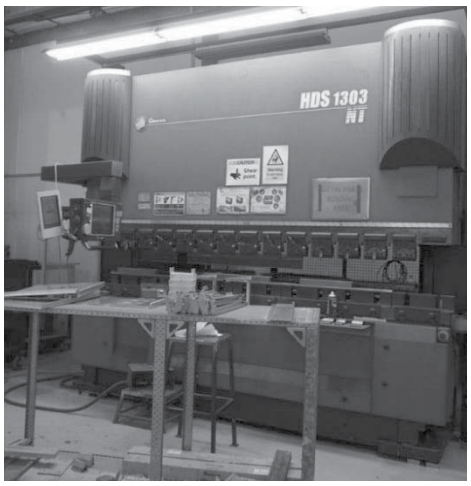
The production capacity of these machines cannot be determined as each project is customised, project-based and with an agreed timeframe of delivery.

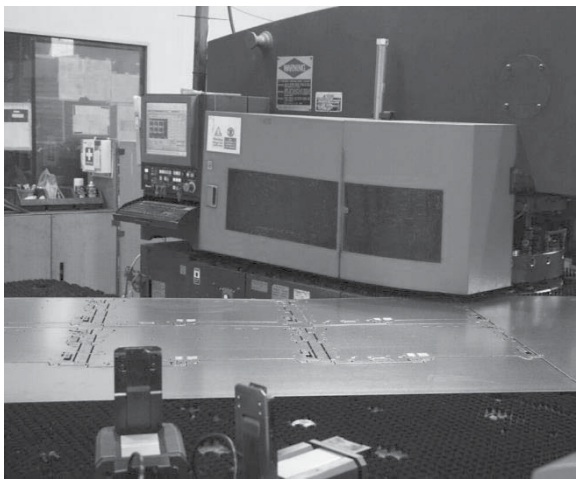
Component for enclosures that have undergone the bending and turret punching processes



With the additional machinery, equipment and software, our Group would be able to enhance our production capabilities which enable us to meet the demands of concurrent projects efficiently. The ability to undertake more projects or orders simultaneously is expected to enhance our versatility and responsiveness to client requirements and thereby improve our financial performance.

Our existing CNC metal bending machine (left) and CNC turret punching machine (right)





The estimated cost for the purchase of these new machineries, equipment and software is RM2.92 million which will be funded by a combination of IPO proceeds, bank borrowings and/or internally generated funds by 2027, as follows:

Purchases of new machineries, equipment and software	Estimated cost RM'000
1 unit of CNC turret punching machine	1,700
1 unit of CNC metal bending machine	850
1 unit of 10-tonne overhead crane	250
2 user-license for CAD/CAM software	120
Total	**2,920**

We intend to allocate RM2.20 million or 3.14% of the gross proceeds from our Public Issue to finance the purchase of new machineries, equipment and software.

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

6.6.4 Setting up a dedicated R&D centre

Our Group recognises the importance of having an R&D department for the development and enhancement of new and current products and services to remain competitive and relevant in the industry. As at the LPD, we do not have a dedicated team or department to carry out our R&D activities. Our R&D is carried out by our production department which comprises, amongst others, the mechanical engineer, mechanical designers, production manager and testing executive on an as-required basis under the leadership of our Executive Director cum Chief Executive Officer, Tan Bin Chee.

Moving forward, we plan to set up a dedicated R&D centre and team for new product development and enhancement of existing products. Our plans are as follows:

- purchase new testing equipment such as 2 units of temperature humidity chamber and 2 units of pressure test set equipment to carry out testing on prototypes;
- hire 3 R&D personnel comprising 2 electronics engineers and 1 draftsperson responsible for product conceptualisation and design; and
- develop new products and enhance existing products.

Some of the products that we plan to carry out R&D by 2027 are as follows:

- development of explosive rated power electronic products such as battery chargers, solar controllers, AC/DC power supply and DC/DC voltage converters;
- development of Ex hydrogen fuel cell generator where we will buy the hydrogen fuel cell generator and develop it into explosion-proof, suitable for offshore O&G platforms to complement our Ex solar PV system for power back-up purposes, and market them under our own brand; and
- enhancement of existing Ex battery charger with a larger capacity.

The total estimated cost to set up a dedicated R&D centre is estimated at RM1.48 million which will be fully funded by IPO proceeds, as follows:

Setting up a dedicated R&D centre	**Estimated cost RM'000**
Purchase of testing equipment including 2 units of temperature humidity chamber and 2 units of pressure test set equipment	230
Staff cost for 3 R&D personnel for 1 year	250
Ex certification cost for new products developed	1,000
Total	**1,480**

We intend to allocate RM1.48 million or 2.11% of the gross proceeds from our Public Issue to finance the set-up of R&D department.

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

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) entered into by our Group for the Financial Period Under Review and up to the LPD:

(a) Share sale agreement dated 20 March 2024 entered into between Swift Energy and Blueprint Capital, Tan Bin Chee and Chin Saw Yong for the acquisition of 2,000,000 ordinary shares in SESB representing 100.00% equity interest in SESB for a total consideration of RM42,781,838, which was satisfied via the issuance of 750,558,561 new Shares to Blueprint Capital, Tan Bin Chee and Chin Saw Yong. This transaction has been completed on 28 October 2024.

(b) Share sale agreement dated 29 September 2023 between SESB and Lim Ah Chuan for the acquisition of 75,000 ordinary shares in SASB representing 10.00% equity interest in SASB for a cash consideration of RM576,243. This transaction has been completed on 30 October 2023.

(c) Share sale agreement dated 29 September 2023 between SESB and Lok Wei Seng for the acquisition of 150,000 ordinary shares in SASB representing 20.00% equity interest in SASB for a cash consideration of RM1,152,486. This transaction has been completed on 30 October 2023.

(d) Share sale agreement dated 20 September 2022 between SESB and Abdul Halim Lim Bin Abdullah for the disposal of 1 ordinary share in Swift Energy Limited representing 100.00% equity interest in Swift Energy Limited for a cash consideration of RM88,000. This transaction has been completed on 20 September 2022.

(e) Share sale agreement dated 20 September 2022 between SESB and Abdul Halim Lim Bin Abdullah for the disposal of 899,000 ordinary shares in Swift Transformer Sdn Bhd representing 89.90% equity interest in Swift Transformer Sdn Bhd for a cash consideration of RM1. This transaction has been completed on 22 September 2022.

(f) Instrument of transfer form under Section 105 of Companies Act 2016 dated 10 January 2022 executed by Tan Kian Peng for the transfer of 50,000 ordinary shares in ALR to SESB at a consideration price of RM480,000. This transfer has been completed on 10 January 2022.

(g) Instrument of transfer form under Section 105 of Companies Act 2016 dated 10 January 2022 executed by Wan Chee Meng for the transfer of 50,000 ordinary shares in ALR to SESB at a consideration price of RM480,000. This transfer has been completed on 10 January 2022.

(h) Underwriting Agreement.

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

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Material properties

(a) Properties owned by our Group

The summary of the material properties owned by our Group as at the LPD are set out below:

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date of issuance of CF/ CCC	Express Conditions/ Encumbrance/ Restriction-in-interest	NBV as at 30 September 2023 RM'000
(a)	**Registered owner:** SESB **Postal address:** Lot 48521 (PT 25145), Jalan Palam 34/17, Seksyen 34, 40460 Shah Alam, Selangor Darul Ehsan **Title details:** H.S.(D) 24266, PT 25145, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	**Description of property:** Single storey detached factory (Factory A) with an annexed double storey office building (Office Building B) together with the guard house and TNB substation. Double storey detached building (Building C), single storey detached warehouse (Warehouse D) and refuse chamber. **Existing use:** Office, factory and warehouse **Expiry of lease:** Freehold **Category of land use:** Industrial	**Land area:** 165,527 **Built-up area:** 69,948	**Date of issuance of CF:** CF dated 17 December 2003 **CCC:** CCC dated 15 September 2021	**Express condition:** For industrial purpose **Encumbrances:** Charge no. 00SC22656/2024 created in favour of United Overseas Bank (Malaysia) Berhad which was registered on 8 February 2024 Charge no. 00SC2074/2024 created in favour of United Overseas Bank (Malaysia) Berhad which was registered on 9 January 2024. **Restriction-in-interest:** None	19,346

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

(b) Properties rented by our Group

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

No.	Address	Landlord/ Tenant	Description of property/ Existing use	Land area/ Built-up area sq ft	Period of tenancy/ Rental per annum
(a)	Lower Ground Floor & First Floor of No. 45, Jalan Suria Puchong 2, Pusat Perniagaan Suria Puchong, 47110 Puchong, Selangor Darul Ehsan	**Landlord:** Soh Geok Koon	**Description of property:** Units located on the lower ground floor and first floor of a two and half-storey shop lot	**Land area:** 1,650	**Period of tenancy:** 1 January 2023 to 31 December 2025
		Tenant: SASB	**Existing use:** Storage and office use	**Built-up area:** 2,497	**Rental per annum:** RM16,800
(b)	No. 43 & 43-1, (Basement), Jalan Suria Puchong 2, Pusat Perdagangan Suria, 47110 Puchong, Selangor Darul Ehsan	**Landlord:** Toy Kek Bee	**Description of property:** Units located on the lower ground floor, ground floor and first floor of a two and half-storey shop lot	**Land area:** 1,650	**Period of tenancy:** 1 October 2024 to 30 September 2026
		Tenant: SASB	**Existing use:** Office	**Built-up area:** 3,995	**Rental per annum:** RM45,600
(c)	Ground Floor, Block D2-06 & D2-07, Pusat Perdagangan Dana 1, Jalan PJU 1A/46, Section PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan	**Landlord:** Tan Bin Chee and Pang Suk Thing	**Description of property:** 2 units located on the ground floor of a three-storey shop lots	**Land area:** 3,300	**Period of tenancy:** 1 January 2022 to 31 December 2024[(2)]
		Tenant: ALR	**Existing use:** Office	**Built-up area:** 3,444	**Rental per annum:** RM76,800

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

No.	Address	Landlord/ Tenant	Description of property/ Existing use	Land area/ Built-up area sq ft	Period of tenancy/ Rental per annum
(d)	No. 12A, Jalan SS8/6, 47300 Petaling Jaya, Selangor Darul Ehsan	**Landlord:** Westlite Dormitory (Petaling Jaya) Sdn Bhd	**Description of property:** Unit located on the ninth floor of a nine-storey apartment	**Land area:** Not applicable(1)	**Period of tenancy:** 18 June 2023 to 17 June 2024 and 18 June 2024 to 17 June 2025
		Tenant: PMAS	**Existing use:** Foreign workers' hostel	**Built-up area:** 758	**Rental per annum:** RM66,000
(e)	11-02, Jalan Sierra Perdana 6/3, Taman Sierra Perdana, 81750, Masai, Johor	**Landlord:** Chow Chee Han	**Description of property:** Unit located on the second floor of a three-storey shop lot	**Land area:** 1,540	**Period of tenancy:** 1 January 2024 to 31 December 2024(3)
		Tenant: SESB	**Existing use:** Office	**Built-up area:** 1,540	**Rental per annum:** RM9,600
(f)	629 Aljunied Road, #06-16 Cititech Industrial Building, Singapore 389838	**Landlord:** City Developments Limited	**Description of property:** Unit located on the sixth floor of an eight-storey modern factory/warehouse development	**Land area:** Not applicable(1)	**Period of tenancy:** 16 March 2022 to 15 March 2025
		Tenant: SE Singapore	**Existing use:** Office	**Built-up area:** 1,399	**Rental per annum:** SGD32,447, equivalent to approximately RM107,601(4)

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

No.	Address	Landlord/ Tenant	Description of property/ Existing use	Land area/ Built-up area sq ft	Period of tenancy/ Rental per annum
(g)	Part 1 of 2#, 5th Floor, Build A Caifu No. 2, 15 Caifu Avenue, Yubei District, Chongqing, China	**Landlord:** Chongqing Gaoke Group Co., Ltd.	**Description of property:** Unit located on the fifth floor of a twelve-storey office building	**Land area:** Not applicable(1)	**Period of tenancy:** 18 February 2024 to 17 February 2025
		Tenant: Chongqing Swift China	**Existing use:** Office	**Built-up area:** 2,530	**Rental per annum:** RMB150,564, equivalent to approximately RM92,341(5)
(h)	Part 2 of 2#, 5th Floor, Build A Caifu No. 2, 15 Caifu Avenue, Yubei District, Chongqing, China	**Landlord:** Chongqing Gaoke Group Co., Ltd.	**Description of property:** Unit located on the fifth floor of a twelve-storey office building	**Land area:** Not applicable(1)	**Period of tenancy:** 1 November 2024 to 17 February 2025(6)
		Tenant: Chongqing Swift China	**Existing use:** Office	**Built-up area:** 1,076	**Rental per annum:** RMB64,056, equivalent to approximately RM39,286(5)
(i)	Campus A Building 6, Floor 3 Unit A632 located at 842, 844, 846 846/1-846/6 Lasalle Road, Bangna Tai Sub-District, Bangna District, Bangkok 10260	**Landlord:** Bhiraj Bhuri Co., Ltd.	**Description of property:** Unit located on the third floor of a three-storey of office building	**Land area:** Not applicable(1)	**Period of tenancy:** 1 November 2022 to 31 October 2025
		Tenant: SE Thailand	**Existing use:** Office	**Built-up area:** 1,119	**Rental per annum:** THB284,544, equivalent to approximately RM36,520(7)

Notes:

(1) Not applicable as the units rented are part of a larger apartment/building and as such, the land area is not available for individual quantification.

(2) ALR has renewed the tenancy agreement in item (c) from 1 January 2025 up to 31 December 2027.

(3) SESB has renewed the tenancy in item (e) via a renewal letter with the landlord from 1 January 2025 to 31 December 2025 at a monthly rental of RM1,000.

(4) Translated at the foreign currency exchange rate of SGD1: RM3.3162, being BNM's prevailing middle rate as at 5.00 p.m. on LPD.

(5) Translated at the foreign currency exchange rate of RMB1: RM0.6133, being BNM's prevailing middle rate as at 5.00 p.m. on LPD.

(6) Our Group has renewed the tenancy agreement in item (h) from 1 November 2024 up to 17 February 2025. Our Group further intends to renew this tenancy agreement together with the tenancy agreement in item (g) upon their expiry.

(7) Translated at the foreign currency exchange rate of THB100: RM12.8345, being BNM's prevailing middle rate as at 5.00 p.m. on LPD.

The properties rented by our Group are not in breach of any other land use conditions and/or are not in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

(c) Acquisition of properties

During the Financial Period Under Review and up to the LPD, we did not enter into any agreements to acquire any properties.

(The rest of this page is intentionally left blank)

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

6.8.2 Material plans to construct, expand or improve our facilities

Save for the proceeds from our Public Issue to be used for our business strategies and plans as set out in Section 4.9 and Section 6.6, our Group does not have any other immediate plans to construct, expand and improve our facilities as at the LPD.

6.8.3 Production capacities and output

Production output, capacity and utilisation are not applicable to our business operations as our business activities are mainly involved in the design, fabrication, assembling and integration of industrial automation and power systems where each job is customised, project-based and with an agreed timeframe of delivery.

Nevertheless, certain factors that may influence our production capabilities include the following:

(a) limited production floor space for storing work-in-progress inventories and finished products; and

(b) availability of skilled labour on the production floor.

In the event that limited production floor space becomes a persistent challenge, we can explore options such as renting additional storage facilities for finished goods and essential input materials. Similarly, if labour availability poses a long-term constraint, we have the option to outsource certain aspect of fabrication and assembly tasks.

6.9 EMPLOYEES

As at the LPD, our Group has a total workforce of 184 permanent employees and 31 contractual employees, comprising:

(a) 164 permanent employees are Malaysians;

(b) 20 permanent employees are foreigner, consisting of 9 Chinese national, 4 Singaporeans and 7 Thais national based in their respective countries;

(c) 13 contractual employees are Burmese, holding valid visit pass temporary employment pass in Malaysia subject to renewal every 12 months and they have obtained valid employment pass to work;

(d) 9 contractual employees are Chinese national; and

(e) 9 contractual employees are Malaysians.

The Malaysian permanent employees and foreign permanent employees represent 76.28% and 9.30% of our total workforce, respectively, while Malaysian contractual employees and foreign contractual employee represent 4.19% and 10.23%, respectively, as at the LPD.