

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MTAG GROUP BERHAD (“MTAG” OR “COMPANY”) DATED 19 AUGUST 2019 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“Bursa Securities”) website at www.bursamalaysia.com (“Website”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd (“M&A Securities”), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and MTAG take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 19 August 2019 and will close at 5.00 p.m. on 6 September 2019. In the event there is any change to the timetable, MTAG will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



MTAG
MTAG GROUP BERHAD
PROSPECTUS

MTAG

MTAG GROUP BERHAD

(Company No. 1262041-V)

(Incorporated in Malaysia under the Companies Act, 2016)

PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III,
81100 Johor Bahru, Johor, Malaysia.

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MTAG PROSPECTUS

MTAG GROUP BERHAD

(Company No. 1262041-V)

(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) PUBLIC ISSUE OF 136,323,500 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:
- 34,081,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 14,006,700 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
 - 68,161,500 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
 - 20,074,300 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

- (II) OFFER FOR SALE OF 68,161,500 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS AT AN ISSUE/OFFER PRICE OF RM0.53 PER SHARE, PAYABLE IN FULL UPON APPLICATION

Adviser, Sponsor, Underwriter and Placement Agent



M&A SECURITIES SDN BHD (15017-H)

(A Wholly-Owned Subsidiary of Insas Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Prospectus has been registered by the SC. The registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 131.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

THIS PROSPECTUS IS DATED 19 AUGUST 2019

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

Admission to the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") is not to be taken as an indication of the merits of our IPO, our Company, or our shares.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("CMSA") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 30 April 2019. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The Securities Commission Malaysia ("SC") has on 30 May 2019 approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of the SC based on the audited combined financial statements for the financial year ended 30 June 2018. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status will be released in the updated list of Shariah compliant securities, on the last Friday of May and November.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:

- (i) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Tentative dates
Issuance of this Prospectus/Opening of Application	19 August 2019
Closing Date/Closing of Application	6 September 2019
Balloting of Application	12 September 2019
Allotment/Transfer of IPO Shares to successful applicants	20 September 2019
Date of Listing	25 September 2019

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "MTAG" and "Company" in this Prospectus are to MTAG Group Berhad (1262041-V). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages or fractions) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) Demand for our products and services;
- (ii) Our business strategies;
- (iii) Our future plans;
- (iv) Our financial position;
- (v) Our future earnings, cash flows and liquidity; and
- (vi) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) The economic, political and investment environment in Malaysia and globally; and
- (ii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

"Intag Industrial"	:	Intag Industrial Supplies Sdn Bhd (551008-A)
"Intag Steel"	:	Intag Steel Hardware Sdn Bhd (708814-P)
"Toyo Sho"	:	Toyo Sho Industrial Products Sdn Bhd (329252-T)
"MTAG" or "Company"	:	MTAG Group Berhad (1262041-V)
"MTAG Group" or "Group"	:	MTAG and its wholly-owned subsidiaries, collectively

GENERAL:

"3M"	:	3M Malaysia Sdn Bhd (7251-V), part of an American multinational conglomerate involved in the industrial, healthcare and consumer sectors
"ACE Market"	:	ACE Market of Bursa Securities
"Acquisitions"	:	Acquisitions comprising the following: (i) Acquisition of Toyo Sho; (ii) Acquisition of Intag Industrial; and (iii) Acquisition of Intag Steel, which were completed on 28 June 2019.
"Acquisition of Intag Industrial"	:	Acquisition by MTAG of the entire equity interest of Intag Industrial for a purchase consideration of RM49,083,370 which was wholly satisfied by the issuance of 350,595,500 new Shares at an issue price of RM0.14 per share
"Acquisition of Intag Steel"	:	Acquisition by MTAG of the entire equity interest of Intag Steel for a purchase consideration of RM5,103,280 which was wholly satisfied by the issuance of 36,452,000 new Shares at an issue price of RM0.14 per share
"Acquisition of Toyo Sho"	:	Acquisition by MTAG of the entire equity interest of Toyo Sho for a purchase consideration of RM22,154,500 which was wholly satisfied by the issuance of 158,246,398 new Shares at an issue price of RM0.14 per share
"Act"	:	Companies Act, 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M&A Securities

DEFINITIONS (Cont'd)

"Application"	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	Printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"Board"	:	Board of Directors of MTAG
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CAGR"	:	Compound annual growth rate
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Closing Date"	:	Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"CMSA"	:	Capital Markets and Services Act 2007
"Company C"	:	A global contract manufacturer and producer of injection moulded plastic precision parts based in the Philippines and who is a subsidiary of a public company listed on The Stock Exchange of Thailand
"Constitution"	:	Constitution of our Company
"Depository Rules"	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
"Director(s)"	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"Dyson"	:	Dyson Manufacturing Sdn Bhd (509962-T)
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"E&E"	:	Electrical and electronics industry, covering electronic components, industrial electronics, consumer electronics and electrical products
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	:	Application for IPO Shares through a Participating Financial Institution's ATM

DEFINITIONS (Cont'd)

"EPS"	:	Earnings per share
"FPE"	:	Financial period(s) ended 31 March, as the case may be
"FYE"	:	Financial year(s) ended/ending 30 June, as the case may be
"GP"	:	Gross profit
"Henkel"	:	Henkel (Malaysia) Sdn Bhd (82357-P), part of a German multinational company involved in the consumer and industrial sectors
"IFRS"	:	International Financial Reporting Standards
"IMR"	:	Protégé Associates Sdn Bhd (675767-H), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled <i>Strategic Analysis of the Label Printing and Converting Industry and An Overview of the Steel Distribution and Secondary Steel Forming Industry in Malaysia</i> dated 20 July 2019
"Intag Industrial Vendors"	:	Chaw Kam Shiang and Lau Cher Liang, collectively
"Intag Steel Vendors"	:	Chaw Kam Shiang, Goh Jui Heng and Lau Cher Liang, collectively
"Internet Participating Financial Institution(s)"	:	Participating financial institution(s) for Internet Share Application as listed in Section 16.6
"Internet Share Application"	:	Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising the Public Issue and Offer for Sale
"IPO Price"	:	Issue/offer price of RM0.53 per Share under our Public Issue and Offer for Sale
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"Issuing House"	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
"Issue Share(s)"	:	New Share(s) to be issued under the Public Issue
"ISO"	:	International Organisation for Standardisation
"IT"	:	Information technology
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM148,592,607 comprising 681,617,400 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time

DEFINITIONS (Cont'd)

"Listing Scheme"	:	Comprising the Public Issue, Offer for Sale and Listing, collectively
"LMW"	:	Licensed manufacturing warehouse, a premise licensed under Sections 65 and 65A of the Customs Act 1967
"LPD"	:	20 July 2019, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M&A Securities Sdn Bhd (15017-H)
"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MFRS"	:	Malaysian Financial Reporting Standards
"MIDA"	:	Malaysian Investment Development Authority
"MITI"	:	Ministry of International Trade and Industry Malaysia
"mm"	:	Millimetre
"MNC"	:	Multinational companies
"NA"	:	Net assets
"NL"	:	Net liabilities
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of 68,161,500 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	:	Existing Share(s) to be offered under our Offer for Sale
"Official List"	:	List specifying all securities which have been admitted for listing of Bursa Securities and not removed
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application as listed in Section 16.5
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 14,006,700 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue
"Promoters"	:	Chaw Kam Shiang, Lau Cher Lijang and Ang Yam Fung, collectively
"Prospectus"	:	This prospectus dated 19 August 2019 in relation to our IPO

DEFINITIONS (Cont'd)

"Public Issue"	:	Public issue of 136,323,500 Issue Shares at our IPO Price
"QC"	:	Quality control
"QMS"	:	Quality management system
"ROC"	:	Registrar of Companies
"SC"	:	Securities Commission Malaysia
"Selling Shareholders"	:	Lau Cher Liang and Ang Yam Fung, who are undertaking the Offer for Sale, collectively
"Share(s)"	:	Ordinary share(s) in MTAG
"SICDA" or "Depository Act"	:	Securities Industry (Central Depositories) Act, 1991
"sq ft"	:	Square foot
"sq m"	:	Square metre
"Toyo Sho Vendors"	:	Chaw Kam Shiang and Ang Yam Fung, collectively
"Underwriting Agreement"	:	Underwriting agreement dated 12 July 2019 entered into between MTAG and M&A Securities for the purpose of our IPO
"UK"	:	United Kingdom
"USA"	:	United States of America
"Vendors"	:	Toyo Sho Vendors, Intag Industrial Vendors and Intag Steel Vendors, collectively

CURRENCIES:

"Euro"	:	European Euro
"RM" or "sen"	:	Ringgit Malaysia and sen respectively
"GBP"	:	British Pound Sterling
"SGD"	:	Singapore Dollar
"USD"	:	United States Dollar

TECHNICAL GLOSSARY

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

"adhesives"	:	Adhesive is a substance that is applied to surfaces or separate items to bind them together
"adhesive-kill printing"	:	Removal of adhesion in specific area (i.e. edges) of the labels and stickers
"AutoCAD"	:	Computer-aided design software programme used to draw 2-dimensional or 3-dimensional models
"CNC"	:	Computerised numerical control
"converters"	:	Companies that specialise in the provision of converting services
"converting"	:	Process of converting raw materials such as adhesive, silicones, adhesive tapes, foams, plastics, felts, rubbers, liners and metals as well as other materials into predefined shapes or sizes
"die"	:	A specialised tool used to cut or shape materials using machines
"die-cutting"	:	Process of using a die to cut a variety of materials such as adhesive tapes and papers, mesh, plastics, foams, cardboards and metals
"industrial standard marking"	:	Indication on the stickers and labels that the products complied with the standards or regulations that are established by certification bodies or organisations such as Underwriters Laboratories Inc. and European Conformity
"label"	:	A label is attached to a packaging or product on which information or symbols about the product is written or printed on. Labels are used to provide identification, information, instruction for use, environmental advice, advertising or warning
"laminating "	:	Process of applying several layers of materials to improve strength, stability, appearance or other properties. A laminate can be done through the use of heat, pressure, welding and adhesives
"photosensitive printing plate"	relief :	Thin printing plate made of polymer and resin that produces raised image upon exposure to UV light
"printing"	:	Process of reproducing texts and/or images using a template
"profile cutting"	:	Process of cutting flat metal products into different shapes, sizes and angles using a CNC cutting machine
"PTFE"	:	Polytetrafluoroethylene, a type of synthetic polymer which is water and chemical resistant
"slitting"	:	Process of cutting large roll of material into narrower rolls
"UV"	:	Ultraviolet

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	PROSPECTUS SUMMARY	4
2.1	PRINCIPAL DETAILS OF IPO	4
2.2	GROUP STRUCTURE AND BUSINESS MODEL	4
2.3	COMPETITIVE STRENGTHS	5
2.4	BUSINESS STRATEGIES.....	6
2.5	RISK FACTORS	6
2.6	DIRECTORS AND KEY SENIOR MANAGEMENT	7
2.7	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	8
2.8	UTILISATION OF PROCEEDS	9
2.9	FINANCIAL AND OPERATIONAL HIGHLIGHTS.....	9
2.10	DIVIDEND POLICY	11
3.	APPROVALS AND CONDITIONS	13
3.1	APPROVALS AND CONDITIONS.....	13
3.2	MORATORIUM ON OUR SHARES.....	16
4.	DETAILS OF OUR IPO.....	17
4.1	OPENING AND CLOSING OF APPLICATION PERIOD	17
4.2	IMPORTANT TENTATIVE DATES	17
4.3	DETAILS OF OUR IPO	17
4.4	SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS	21
4.5	PURPOSES OF OUR IPO	22
4.6	BASIS OF ARRIVING AT OUR IPO PRICE	22
4.7	TOTAL MARKET CAPITALISATION UPON LISTING	23
4.8	DILUTION	23
4.9	UTILISATION OF PROCEEDS	24
4.10	BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION	28
4.11	SALIENT TERMS OF THE UNDERWRITING AGREEMENT.....	28
4.12	TRADING AND SETTLEMENT IN SECONDARY MARKET.....	33
5.	INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	35
5.1	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	35
5.2	DIRECTORS.....	38
5.3	KEY SENIOR MANAGEMENT.....	58
5.4	BOARD PRACTICE	66
5.5	RELATIONSHIPS AND/OR ASSOCIATIONS	71
5.6	EXISTING OR PROPOSED SERVICE AGREEMENTS	71
5.7	DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	71
6.	INFORMATION ON OUR GROUP	72
6.1	INFORMATION ON MTAG	72
6.2	DETAILS OF OUR ACQUISITIONS	72
6.3	SUBSIDIARIES AND ASSOCIATED COMPANIES	76
6.4	MATERIAL CONTRACTS.....	77
6.5	PUBLIC TAKE-OVERS	78
6.6	MAJOR APPROVALS AND LICENCES	79
6.7	TRADEMARKS.....	85
6.8	PROPERTIES, PLANT AND EQUIPMENT	86
6.9	EMPLOYEES.....	90

TABLE OF CONTENTS (Cont'd)

7.	BUSINESS OVERVIEW	92
7.1	OUR HISTORY	92
7.2	DESCRIPTION OF OUR BUSINESS.....	94
7.3	BUSINESS PROCESSES	100
7.4	PRINCIPAL MARKETS	107
7.5	SALES AND MARKETING	107
7.6	TECHNOLOGY USED AND TO BE USED.....	108
7.7	SEASONALITY	109
7.8	BUSINESS INTERRUPTIONS	110
7.9	TYPES, SOURCES AND AVAILABILTY OF RAW MATERIALS	110
7.10	QUALITY CONTROL PROCEDURES AND MANAGEMENT	110
7.11	MATERIAL MACHINERIES	112
7.12	OPERATING CAPACITY	112
7.13	RESEARCH AND DEVELOPMENT ACTIVITIES	114
7.14	MAJOR CUSTOMERS	114
7.15	MAJOR SUPPLIERS.....	116
7.16	DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS.....	117
7.17	COMPETITIVE STRENGTHS	117
7.18	BUSINESS STRATEGIES AND PROSPECTS	119
8.	IMR REPORT	122
9.	RISK FACTORS.....	131
9.1	RISKS RELATING TO OUR BUSINESS AND OPERATIONS.....	131
9.2	RISKS RELATING TO OUR INDUSTRY	134
9.3	RISKS RELATING TO THE INVESTMENT IN OUR SHARES.....	135
9.4	OTHER RISKS	136
10.	RELATED PARTY TRANSACTIONS.....	137
10.1	RELATED PARTY TRANSACTIONS	137
10.2	OTHER TRANSACTIONS	141
11.	CONFLICT OF INTEREST	143
11.1	INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND OUR SUPPLIERS	143
11.2	DECLARATION OF CONFLICT OF INTEREST BY OUR ADVISERS.....	144
12.	FINANCIAL INFORMATION.....	145
12.1	HISTORICAL FINANCIAL INFORMATION	145
12.2	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	150
12.3	LIQUIDITY AND CAPITAL RESOURCES	169
12.4	BORROWINGS	170
12.5	TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES	172
12.6	MATERIAL CAPITAL COMMITMENTS	172
12.7	MATERIAL LITIGATION AND CONTINGENT LIABILITIES	172
12.8	KEY FINANCIAL RATIOS.....	172
12.9	SIGNIFICANT FACTORS AFFECTING OUR REVENUE.....	176
12.10	IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES.....	176
12.11	IMPACT OF INFLATION	176
12.12	IMPACT ON FOREIGN EXCHANGE RATES, INTEREST RATES AND/ OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS	177
12.13	ORDER BOOK	178
12.14	DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL PERFORMANCE.....	178
12.15	TREND INFORMATION	179
12.16	DIVIDEND POLICY	180
12.17	CAPITALISATION AND INDEBTEDNESS.....	181

TABLE OF CONTENTS (Cont'd)

13.	ACCOUNTANTS' REPORT.....	182
14.	REPORTING ACCOUNTANTS' REPORT ON PRO FORMA CONSOLIDATED FINANCIAL INFORMATION.....	272
15.	STATUTORY AND OTHER INFORMATION	290
15.1	SHARE CAPITAL.....	290
15.2	CHANGES IN SHARE CAPITAL OF OUR SUBSIDIARIES	290
15.3	CONSTITUTION	291
15.4	GENERAL INFORMATION.....	298
15.5	CONSENTS	299
15.6	DOCUMENTS FOR INSPECTION	299
15.7	RESPONSIBILITY STATEMENTS	300
16.	SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	301
16.1	OPENING AND CLOSING OF APPLICATION PERIOD	301
16.2	METHODS OF APPLICATIONS	301
16.3	ELIGIBILITY.....	302
16.4	APPLICATION BY WAY OF APPLICATION FORM	303
16.5	APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION.....	304
16.6	APPLICATION BY WAY OF INTERNET SHARE APPLICATION	304
16.7	AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	304
16.8	UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS	305
16.9	SUCCESSFUL APPLICANTS	306
16.10	ENQUIRIES.....	306

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Lee Ting Kiat	Independent Non-Executive Chairman	No. 12A, Jalan Straits View 80100 Johor Bahru	Malaysian/ Advocate & Solicitor	Male
Chaw Kam Shiang	Managing Director	No. 9, Jalan Redang 1/6 Taman Redang 81100 Johor Bahru	Malaysian/ Director	Male
Lau Cher Liang	Executive Director	No. 2, Jalan Austin Height 1/28 Taman Mount Austin 81100 Johor Bahru	Malaysian/ Director	Male
Goh Jui Heng	Executive Director	No. 27, Jalan Adda 2/5 Taman Adda Heights 81100 Johor Bahru	Malaysian/ Director	Male
Jason Tan Kim Song	Independent Non-Executive Director	No. 3, Jalan Austin Height 2/7 Taman Mount Austin 81100 Johor Bahru	Malaysian/ Accountant	Male
Dyana Sofya Binti Mohd Daud	Independent Non-Executive Director	D-2-6 Seri Maya Condominium Jalan Jelatek 54200 Kuala Lumpur	Malaysian/ Advocate & Solicitor	Female

AUDIT COMMITTEE

Name	Designation	Directorship
Jason Tan Kim Song	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Lee Ting Kiat	Chairman	Independent Non-Executive Chairman
Jason Tan Kim Song	Member	Independent Non-Executive Director
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Dyana Sofya Binti Mohd Daud	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Jason Tan Kim Song	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Jason Tan Kim Song	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director
Chaw Kam Shiang	Member	Managing Director

COMPANY SECRETARIES

: Wong Yoke Fun (MAICSA 7027345)
(Chartered Secretary, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators)

Rebecca Kong Say Tsui (MAICSA 7039304)
(Chartered Secretary, Associate of the Malaysian Institute of Chartered Secretaries and Administrators)

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: 03-2783 9191

REGISTERED OFFICE

: Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: 03-2783 9191

HEAD OFFICE

: PLO 226, Jalan Kencana Mas
Kawasan Perindustrian Tebrau III
81100 Johor Bahru

Telephone: 07-351 3333

EMAIL ADDRESS AND WEBSITE

: Website: www.mtaggroup.com
Email address: ir@mtaggroup.com

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO

: Grant Thornton Malaysia (AF0737)
Suite 28.01, 28th Floor
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru

Partner's name: Mohamad Heizrin Bin Sukiman
Approved number: 03046/05/2021 (J)
(Chartered Accountant and Member of the Malaysian Institute of Accountants)

Telephone: 07-332 8335

1. CORPORATE DIRECTORY (Cont'd)

- SOLICITORS FOR OUR IPO** : Wong Beh & Toh
Level 19, West Block
Wisma Golden Eagle Realty (formerly known as Wisma
Selangor Dredging)
No 142-C, Jalan Ampang
50450 Kuala Lumpur

Telephone: 03-2713 6050
- ISSUING HOUSE AND
SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: 03-2783 9299
- ADVISER, SPONSOR,
UNDERWRITER AND
PLACEMENT AGENT** : M&A Securities Sdn Bhd
Level 11, No. 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone: 03-2284 2911
- INDEPENDENT MARKET
RESEARCHER** : Protégé Associates Sdn Bhd
Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur

Managing Director's name: Seow Cheow Seng
*(Master in Business Administration from Charles Sturt
University, Australia and Bachelor of Business majoring in
Marketing from RMIT University, Australia)*

Telephone: 03-6201 9301
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by Shariah Advisory Council of the SC

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2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

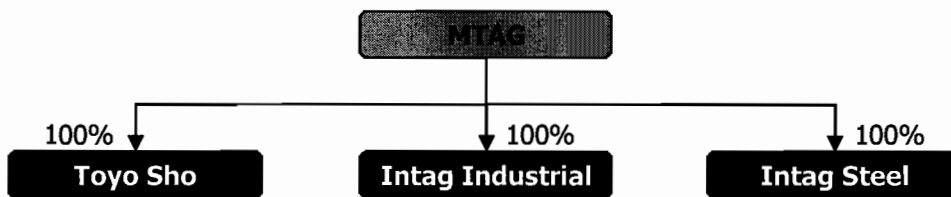
No. of Shares to be issued under the Public Issue	136,323,500
No. of Shares to be offered under the Offer for Sale	68,161,500
Enlarged no. of Shares upon Listing	681,617,400
IPO Price per Share	RM0.53
Market capitalisation (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	RM361,257,222

Further details of our IPO are set out in Section 4.

2.2 GROUP STRUCTURE AND BUSINESS MODEL

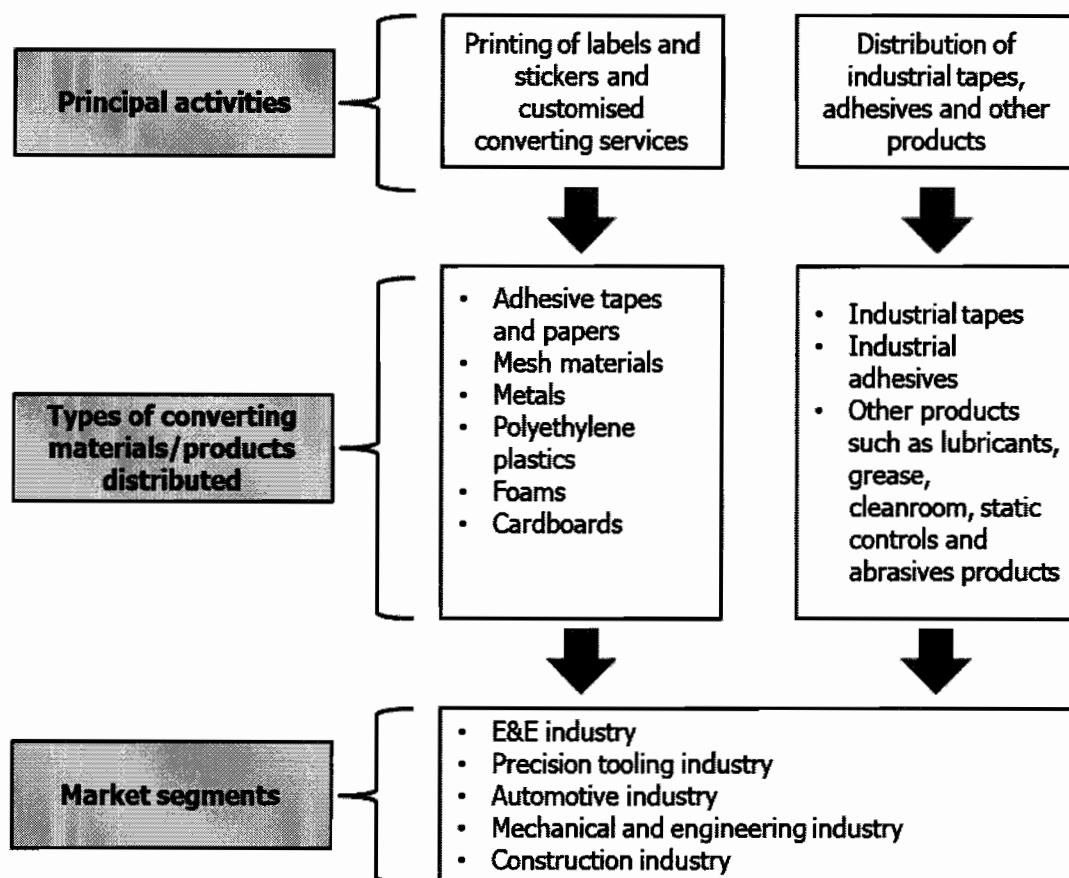
Our Company was incorporated in Malaysia under the Act on 2 January 2018 as a private limited company under the name MTAG Group Sdn Bhd. We converted into a public limited company on 23 October 2018 and assumed our present name.

Our Company was incorporated to facilitate our Listing and our principal activity is that of an investment holding company. Our Group structure as at LPD is as follows:



2. PROSPECTUS SUMMARY (Cont'd)

Our business operations are segmented into 2 segments as follows:



Our principal market is Malaysia, where we generated 99.6%, 99.3%, 97.9% and 96.4% of our Group's revenue for FYE 2016 to 2018 and FPE 2019, respectively.

Further details of our Group and our business model are set out in Sections 6 and 7.

2.3 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

- (i) We able to provide flexible and customised converting services such as slitting, cutting, welding and die-cutting to fit customers' needs and requirements;
- (ii) We offer high quality printing of labels and stickers in terms of colour sharpness and uniformity. We can print in various sizes and shapes on a variety of paper types within a short lead time of 1 to 2 working days;
- (iii) We have been in operation over the last 23 years and have established a diversified customer base; and
- (iv) We are authorised to distribute 2 reputable brands of industrial tapes and adhesives, namely 3M and Henkel.

For further details, please refer to Section 7.17.

2. PROSPECTUS SUMMARY (Cont'd)

2.4 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 36 months from the date of our Listing:

- (i) We intend to acquire a piece of land of approximately 10 acres, in Senai or Tebrau area in Johor Bahru. The land to be acquired will be used to construct a new manufacturing plant to house our corporate office, production facility and warehouse. The new manufacturing plant is part of our business growth strategies to accommodate the increasing demand from our customers; and
- (ii) We intend to acquire 11 new machineries to improve our annual production capacity and efficiency for our printing of labels and stickers and customised converting services.

Further details of our business strategies are set out in Section 7.18.

2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

- (i) We are dependent on our major customers and Dyson. Our major customers contributed a total of 71.3%, 76.8%, 71.1% and 71.1% of our total revenue for FYE 2016 to 2018 and FPE 2019. Our Group's customers who are suppliers for Dyson contributed a total of 76.6%, 81.1%, 80.1% and 80.8% of our total revenue for FYE 2016 to 2018 and FPE 2019. We may be materially and adversely affected if we were to lose one or more of our major customers or our customers' services as supplier are terminated by Dyson;
- (ii) Any disruptions to or unplanned shutdown of our production activities, arising from fire, power failure, floods and accidents may have an adverse impact on our manufacturing activities;
- (iii) We are the distributor for 3M's industrial tape and adhesive products for Malaysia and Henkel's general industry adhesive products for Malaysia and Singapore. Any termination, withdrawal, disruptions in supply or change in terms with our suppliers may negatively affect us;
- (iv) Our continued success is dependent on our Managing Director, Executive Directors and key senior management. The loss of our Managing Director and Executive Directors may adversely affect us. The loss of our key senior management simultaneously or within a short span of time without suitable and timely replacement, or our inability to attract and retain qualified and competent personnel, could adversely impact us;
- (v) We are exposed to fluctuations in foreign exchange rates as majority of our purchases are transacted in foreign currencies. Any adverse fluctuations in the foreign exchange rates may have an adverse impact on our Group's financial performance;

2. PROSPECTUS SUMMARY (Cont'd)

- (vi) We face competition from existing and prospective competitors which may be capable of offering similar converting services. They may compete with us in terms of pricing, services range and quality; and
- (vii) We are dependent on foreign workers in our manufacturing plant. Any substantial shortage in the supply of foreign workers or restrictions on foreign workers usage may disrupt our operations.

2.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Lee Ting Kiat	Independent Non-Executive Chairman
Chaw Kam Shiang	Managing Director
Goh Jui Heng	Executive Director
Lau Cher Liang	Executive Director
Jason Tan Kim Song	Independent Non-Executive Director
Dyana Sofya Binti Mohd Daud	Independent Non-Executive Director
Key senior management	
Liew Fei Shane	Chief Financial Officer
Choo Jack Kie	Business Unit Head of Toyo Sho
Ang Yam Fung	Chief Human Resource Officer
Phoa Hwee Siah	Planning and Marketing Manager
Tan Chyi Ing	Planning and Supply Chain Manager
Lau Soo Ling	Planning and Supply Chain Manager

Details of the Directors and key senior management are set out in Section 5.

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2. PROSPECTUS SUMMARY (Cont'd)**2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS**

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

Name	Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO				
		Direct		Indirect	Direct		Indirect		
		No. of Shares	%	No. of Shares	%	No. of Shares	%		
Chaw Kam Shiang	Malaysian	344,151,970	63.1	⁽⁴⁾ 47,474,060	8.7	344,151,970	50.5	⁽⁴⁾ 13,393,310	2.0
Lau Cher Liang	Malaysian	147,912,294	27.1	-	-	113,831,544	16.7	⁽⁴⁾⁽⁵⁾ 115,100	*
Ang Yam Fung	Malaysian	47,474,060	8.7	⁽⁴⁾ 344,151,970	63.1	13,393,310	2.0	⁽⁴⁾ 344,151,970	50.5

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 545,293,900 Shares before IPO
- (2) Based on the enlarged share capital of 681,617,400 Shares after IPO
- (3) After Public Issue and Offer for Sale
- (4) Deemed interest by virtue of his/ her spouse's interest pursuant to Section 8 of the Act
- (5) Assuming that his spouse will fully subscribe for her entitlements under the Pink Form Allocations

Details of the Promoters and substantial shareholders are set out in Section 5.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 3.2.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM72.2 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾ Estimated timeframe for utilisation
Land acquisition and construction of manufacturing plant	33,000	45.7	Within 36 months
Capital expenditure	13,000	18.0	Within 36 months
Repayment of bank borrowings	10,000	13.8	Within 12 months
Working capital	12,451	17.2	Within 18 months
Estimated listing expenses	3,800	5.3	Within 1 month
Total	72,251	100.0	

Note:

(1) From the date of listing of our Shares

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM36.1 million shall accrue entirely to the Selling Shareholders.

2.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

2.9.1 Combined statements of profit or loss and other comprehensive income

The financial statements of Intag Industrial, Intag Steel and Toyo Sho were previously prepared in accordance with Private Entity Reporting Standards with different reporting periods in 2016. In conjunction with the Listing, the Group has adopted MFRS and determined 30 June to be its financial year.

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2016 to 2018 and FPE 2019 as well as the unaudited statements of profit or loss and other comprehensive income for FPE 2018:

	Audited			Unaudited	Audited
	FYE 2016	FYE 2017	FYE 2018	FPE 2018	FPE 2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	126,983	186,607	187,465	143,119	136,109
GP	29,096	37,120	56,412	40,605	40,845
PBT	21,088	30,034	58,293	34,559	31,831
Profit for the financial year/period	15,890	22,631	47,507	26,057	23,709
Basic EPS (sen) ⁽²⁾	2.9	4.2	8.7	4.8	4.3
Diluted EPS (sen) ⁽³⁾	2.3	3.3	7.0	3.8	3.5

2. PROSPECTUS SUMMARY (Cont'd)

	Audited			Unaudited	Audited
	FYE 2016	FYE 2017	FYE 2018	FPE 2018	FPE 2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Adjusted PBT ⁽¹⁾	Not applicable	Not applicable	45,240	Not applicable	Not applicable
Adjusted profit for the financial year/period ⁽¹⁾	Not applicable	Not applicable	34,454	Not applicable	Not applicable
Adjusted basic EPS (sen) ⁽²⁾	Not applicable	Not applicable	6.3	Not applicable	Not applicable
Adjusted diluted EPS (sen) ⁽³⁾	Not applicable	Not applicable	5.1	Not applicable	Not applicable

Further details on the financial information are set out in Sections 12 and 13.

Notes:

- (1) Adjusted PBT and adjusted profit for the financial year excludes the gain on disposal of properties recorded in FYE 2018
- (2) Calculated based on profit for the financial year/period or adjusted profit for the financial year and share capital of 545,293,900 Shares before IPO
- (3) Calculated based on profit for the financial year/period or adjusted profit for the financial year and enlarged share capital of 681,617,400 Shares after IPO

There were no exceptional or extraordinary items during the financial years/period under review. Our audited financial statements for the past financial years/period under review have not been subjected to any audit qualifications.

2.9.2 Pro forma consolidated statements of financial position

The following table sets out a summary of the pro forma consolidated statements of financial position of our Group based on our audited combined financial statements as at 31 March 2019 to show the effects of the Acquisitions, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma consolidated statements of financial position as set out in Section 14.

	MTAG	I	II	III
	As at 31 March 2019	After Acquisitions	After I, Public Issue and Offer for Sale	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	23,619	23,619	69,619
Total current assets	4	105,720	177,972	118,839
TOTAL ASSETS	4	129,339	201,591	188,458
EQUITY AND LIABILITIES				
TOTAL EQUITY	(4)	90,528	162,780	158,980

2. PROSPECTUS SUMMARY (Cont'd)

	MTAG	I	II	III
	As at 31 March 2019	After Acquisitions	After I, Public Issue and Offer for Sale	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Total non-current liabilities	-	8,964	8,964	3,103
Total current liabilities	8	29,847	29,847	26,375
TOTAL LIABILITIES	8	38,811	38,811	29,478
TOTAL EQUITY AND LIABILITIES	4	129,339	201,591	188,458
No. of Shares in issue	2	545,293,900	681,617,400	681,617,400
(NL)/NA per Share (RM)	(1,943)	0.17	0.24	0.23

2.9.3 Key financial ratios

The key financial ratios of our Group for FYE 2016 to 2018 and FPE 2019 are as follows:

	Audited			
	FYE 2016	FYE 2017	FYE 2018	FPE 2019
Trade receivables turnover (days)	98	92	98	96
Trade payables turnover (days)	52	68	73	53
Adjusted trade payables turnover (days)	52	47	49	53
Inventory turnover (days)	47	44	61	63
Adjusted inventory turnover (days)	47	52	61	63
Current ratio (times)	1.8	1.8	3.2	3.5
Gearing ratio (times)	0.6	0.4	0.2	0.1

Further details of the financial ratios are set out in Section 12.

2.10 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries may require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiary to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

2. PROSPECTUS SUMMARY (Cont'd)

Our subsidiaries have historically declared cash dividends to shareholders as follows:

Financial years/period	Amount RM'000	As % of audited PAT attributable to owners of the company
12-months FYE 2016	4,000	25.2
12-months FYE 2017	3,000	13.3
12-months FYE 2018	7,020	⁽¹⁾ 20.4
9-months FPE 2019	9,500	40.0

Note:

⁽¹⁾ Based on the adjusted PAT for FYE 2018

Based on our historical trend of paying dividends as shown above, our Board intends to recommend and distribute a dividend of at least 20% of our annual audited consolidated PAT attributable to our shareholders. Any dividend declared will be at the discretion of our Board and any final dividends declared will be subject to the approval of our shareholders at our annual general meeting.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

Further details of our dividend policy are set out in Section 12.16.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 30 April 2019, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Submission of the following information with respect to the moratorium on the shareholdings of the Promoters to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares	Complied
(ii)	Approvals from other relevant authorities have been obtained for implementation of the Listing	Complied
(iii)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirement	To be complied
(iv)	Furnish Bursa Securities a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire issued share capital of MTAG on the first day of listing	To be complied
(v)	Any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to listing of the Company	Complied
(vi)	In relation to the public offering to be undertaken by MTAG, to announce at least 2 market days prior to the Listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche, in the format prescribed; and (iv) Disclosure of placees who become substantial shareholders of MTAG arising from the public offering, if any.	To be complied

3. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of conditions imposed	Status of compliance
(vii)	MTAG/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission to the Official List of the ACE Market.	To be complied

3.1.2 SC approval

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 30 May 2019, approved the resultant equity structure of MTAG under the equity requirement for public listed companies pursuant to our Listing. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	MTAG to allocate Shares equivalent to at least 12.5% of its enlarged issued share capital at the point of Listing to Bumiputera investors. This includes the Shares offered under the balloted public offer portion, of which at least 50.0% are to be offered to Bumiputera investors.	To be complied

In the event that MITI is unable to allocate the shares to Bumiputera investors, the unsubscribed shares shall be offered to Bumiputera public investors via balloting.

The effect of our Listing on our equity structure is as follows:

Category of shareholders	As at 31 December 2018		After the Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera	-	-	⁽¹⁾ 85,202,000	12.5
Non-Bumiputera	2	100.0	596,415,400	87.5
Malaysian	2	100.0	681,617,400	100.0
Foreigners	-	-	-	-
Total	2	100.0	681,617,400	100.0

Note:

⁽¹⁾ Based on the assumption that the Shares allocated to Bumiputera investors shall be fully subscribed as follows:

Category	No. of Shares
Bumiputera public investor via balloting	17,040,500
Private placement to selected Bumiputera investors approved by MITI	68,161,500
Total	85,202,000

The Shariah Advisory Council of the SC had, vide its letter dated 3 July 2019 classified our Shares as shariah-compliant based on the audited combined financial statements for FYE 2018.

3. APPROVALS AND CONDITIONS (Cont'd)

3.1.3 Waiver

M&A Securities had on behalf of our Company sought relief from the SC to waive the requirements for MTAG to comply with the following provisions of the Prospectus Guidelines, which was approved by the SC vide its letter dated 12 December 2018, 24 January 2019 and 19 July 2019:

Guidelines/Relief sought

Paragraph 9.5, Division 1, Part II of the Prospectus Guidelines

Relief from having to submit the audited interim financial report which is required to be provided if the date of the prospectus issuance is later than 6 months after the end of the most recent financial year, as well as any other consequential disclosures required.

SC's decision

Approved, subject to:

- (i) The date of the most recent audited financial statements disclosed in the prospectus, should not exceed 9 months from the date of submission for registration of prospectus to the SC;
- (ii) The unaudited interim financial statements, with the relevant management's discussion and analysis should be submitted together with the application for the registration of prospectus to the SC; and
- (iii) If the audited financial information disclosed in the prospectus is required to be updated, then the updated prospectus should be submitted to the SC at least 14 market days prior to the confirmation of registration of the said prospectus by the SC.

Paragraph 5.10, Division 1, Part II of the Prospectus Guidelines

Approved.

Relief to redact the name of one major customer and to describe as "Company C".

Paragraph 13.01(b)(v), Division I, Part II of the Prospectus Guidelines and Paragraph 1.12(e), Chapter 1 of Part III Procedures for Registration

Approved.

Relief from having to make available for inspection, and from having to submit to the SC, the audited financial statements of MTAG's subsidiaries i.e. Toyo Sho, Intag Industrial and Intag Steel for FYE 2016 and 2017

3. APPROVALS AND CONDITIONS *(Cont'd)*

3.1.4 MITI approval

The MITI had, vide its letter dated 7 May 2019, taken note and has no objection to our Listing.

3.2 MORATORIUM ON OUR SHARES

The Promoters have provided written undertakings to Bursa Securities that they will not sell, transfer or assign their shareholdings under moratorium during the period of 6 months from the date of Listing in accordance with Rule 3.19(1A)(b) of the Listing Requirements.

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

Promoters	⁽¹⁾ No. of Shares	⁽²⁾ %
Chaw Kam Shiang	344,151,970	50.5
Lau Cher Liang	113,831,544	16.7
Ang Yam Fung	13,393,310	2.0
	471,376,824	69.2

Notes:

(1) After Offer for Sale

(2) Based on the enlarged share capital of 681,617,400 Shares after IPO

The moratorium has been fully accepted by the Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the Promoters to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 19 August 2019 and will remain open until 5.00 p.m. on 6 September 2019. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 IMPORTANT TENTATIVE DATES

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application	19 August 2019
Closing Date/Closing of Application	6 September 2019
Balloting of Application	12 September 2019
Allotment/Transfer of IPO Shares to successful applicants	20 September 2019
Date of Listing	25 September 2019

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(i) Public Issue

A total of 136,323,500 Issue Shares representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

34,081,000 Shares, representing 5.0% of our enlarged share capital, are made available for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 17,040,500 Shares made available to public investors; and

(bb) 17,040,500 Shares made available to Bumiputera public investors.

(b) Eligible Directors, employees and persons who have contributed to the success of our Group

14,006,700 Shares, representing approximately 2.0% of our enlarged share capital, are reserved for our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(c) Private placement to Bumiputera investors approved by MITI

68,161,500 Shares, representing 10.0% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (Cont'd)

(d) Private placement to selected investors

20,074,300 Shares, representing approximately 3.0% of our enlarged share capital, are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM76,341,152 comprising 545,293,900 Shares to RM148,592,607 comprising 681,617,400 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(ii) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 68,161,500 Offer Shares, representing 10.0% of our enlarged share capital at our IPO Price. The Offer for Sale shall be undertaken by way of private placement to selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

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

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM148,592,607 comprising 681,617,400 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)**4.3.2 Selling Shareholders**

Details of our Selling Shareholders are as follows:

Name/ Residential address	Relationship with our Group	⁽¹⁾ Before IPO		Offer Shares offered		After IPO	
		No. of Shares	(²) %	No. of Shares	(³) %	No. of Shares	(³) %
Lau Cher Liang/ No. 2, Jalan Austin Height 1/28 Taman Mount Austin 81100 Johor Bahru	Promoter, substantial shareholder and Executive Director	147,912,294	27.1	34,080,750	5.0	113,831,544	16.7
Ang Yam Fung/ No. 9, Jalan Redang 1/6 Taman Redang 81100 Johor Bahru	Promoter, substantial shareholder and key senior management	47,474,060	8.7	34,080,750	5.0	13,393,310	2.0

Notes:

- (1) After completion of Acquisitions but prior to Public Issue
- (2) Based on the share capital of 545,293,900 Shares before IPO
- (3) Based on the enlarged share capital of 681,617,400 Shares after IPO

Further details of our Selling Shareholders, who are also our Promoters and substantial shareholders can be found in Section 5.1.

4. DETAILS OF OUR IPO (Cont'd)

4.3.3 Pink Form Allocations

We have allocated 14,006,700 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	2	1,500,000
Eligible employees	62	5,206,700
Persons who have contributed to the success of our Group	31	7,300,000
	95	14,006,700

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Our Managing Director, Executive Directors, Ang Yam Fung (our Chief Human Resource Officer) and Dyana Sofya Binti Mohd Daud (our Independent Non-Executive Director) have opted not to participate in the Pink Form Allocations. Details of the proposed allocation to our other Directors and key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Directors		
Lee Ting Kiat	Independent Non-Executive Chairman	1,000,000
Jason Tan Kim Song	Independent Non-Executive Director	500,000
Key senior management		
Liew Fei Shane	Chief Financial Officer	200,000
Choo Jack Kie	Business Unit Head of Toyo Sho	207,500
Phoa Hwee Siah	Planning and Marketing Manager	91,500
Tan Chyi Ing	Planning and Supply Chain Manager	124,900
Lau Soo Ling	Planning and Supply Chain Manager	86,600
		2,210,500

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

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

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

Entitlements which are not accepted by certain eligible Directors, employees and persons who have contributed to the success of our Group will be re-allocated to the other eligible Independent Directors as set out in the table above and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

4. DETAILS OF OUR IPO (Cont'd)

4.3.4 Underwriting arrangement

Our Underwriter will underwrite 48,087,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 88,235,800 Issue Shares and 68,161,500 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors have been placed out by our Placement Agent and will not be underwritten.

If all of our Issue Shares offered to the Malaysian Public are oversubscribed, shares not subscribed for under the Pink Form Allocations, if any, will be made available for application by the Malaysian Public. Any Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

4.3.5 Minimum and over-subscription

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

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	545,293,900	76,341,152
To be issued under our Public Issue	136,323,500	72,251,455
Enlarged share capital upon our Listing	681,617,400	148,592,607

Our Offer for Sale will not have effect on our share capital.

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

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

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other

4. DETAILS OF OUR IPO (Cont'd)

distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (i) To gain recognition through our listing status which will enhance our reputation in terms of marketing our products and services, retention of our employees and expansion of our customer base;
- (ii) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity;
- (iii) To enable our Group to raise funds for the purposes specified in Section 4.9 herein; and
- (iv) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

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

- (i) The PE Multiple of our IPO Price of about 11.0 times based on our Group's pro forma net EPS of approximately 4.8 sen for FYE 2018, calculated based on our adjusted profit for the financial year of RM33.0 million (after excluding the gain on disposal of properties and rental income of RM14.5 million from our audited combined profit for the financial year of RM47.5 million) and enlarged share capital of 681,617,400 Shares upon Listing;
- (ii) Our pro forma consolidated NA per Share as at 31 March 2019 of RM0.23, calculated based on our pro forma consolidated NA as at 31 March 2019 of approximately RM159.0 million and enlarged share capital of 681,617,400 Shares upon Listing;
- (iii) Our historical combined financial track record as follows:

	Audited			
	FYE 2016	FYE 2017	FYE 2018	FPE 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	126,983	186,607	187,465	136,109
GP	29,096	37,120	56,412	40,845
Profit for the financial year/period	15,890	22,631	47,507	23,709

4. DETAILS OF OUR IPO (Cont'd)

- (iv) Our competitive strengths as set out in Section 7.17; and
- (v) Our business strategies and prospects as set out in Section 7.18.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and our enlarged share capital comprising 681,617,400 Shares upon Listing, our total market capitalisation will be RM361,257,222.

4.8 DILUTION

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

	RM
IPO Price	0.53
Our pro forma consolidated NA per Share as at 31 March 2019 after the Acquisitions before the Public Issue	0.17
Our pro forma consolidated NA per Share as at 31 March 2019 after the Acquisitions, Public Issue and utilisation of proceeds	0.23
Increase in the pro forma combined NA per Share attributable to existing shareholders	0.06
Dilution in the pro forma consolidated NA per Share to our new public investors	0.30
Dilution in the pro forma consolidated NA per Share as a percentage of our IPO Price	56.6%

Further details of our pro forma consolidated NA per Share as at 31 March 2019 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾ No. of Shares received	Total consideration	Average effective cost per Share
		RM	RM
Chaw Kam Shiang	344,151,970	48,181,280	0.14
Ang Yam Fung	47,474,060	6,646,370	0.14
Lau Cher Liang	147,912,294	20,707,721	0.14
Goh Jui Heng	5,755,576	805,781	0.14
	545,293,900	76,341,152	0.14

Note:

- ⁽¹⁾ Issued to them under the Acquisitions, and including 2 Shares held by Chaw Kam Shiang

4. DETAILS OF OUR IPO (Cont'd)

Save for Chaw Kam Shiang's subscription of the subscriber share and transfer of 1 Share from Wong Mau Sang, Shares received by our existing shareholders under the Acquisitions and Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM72.2 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Land acquisition and construction of manufacturing plant	(i)	33,000	45.7	Within 36 months
Capital expenditure	(ii)	13,000	18.0	Within 36 months
Repayment of bank borrowings	(iii)	10,000	13.8	Within 12 months
Working capital	(iv)	12,451	17.2	Within 18 months
Estimated listing expenses	(v)	3,800	5.3	Within 1 month
Total		72,251	100.0	

Note:

(1) From the date of listing of our Shares

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

Notes:**(i) Land acquisition and construction of manufacturing plant**

As at LPD, our Group operates from an existing manufacturing plant located in Tebrau which has a land and built-up area of approximately 107,636.8 sq ft and 83,500 sq ft respectively. The 83,500 sq ft is currently utilised by our Group as follows:

	Office (sq ft)	Production (sq ft)	Warehousing (sq ft)	Total (sq ft)
Toyo Sho	1,787	25,970	28,134	55,891
Intag Industrial	430	1,787	⁽¹⁾ 10,818	13,035
Intag Steel	1,711	12,863	-	14,574
	3,928	40,620	38,952	83,500

Note:

(1) Intag Industrial is also renting a bonded warehouse which utilises another 3,500 sq ft on average

4. DETAILS OF OUR IPO (Cont'd)

Due to space constraints in the existing manufacturing plant, we are unable to set up additional production lines and warehousing space to cater for new job orders to further expand our business.

We intend to acquire a piece of land measuring approximately 10 acres (435,600 sq ft), in Senai or Tebrau area in Johor Bahru to construct a new manufacturing plant to house our corporate office, production lines and warehouse in 2 phases. The first phase of construction will provide us with built-up area of approximately 200,000 sq ft, to be utilised as follows:

	Office (sq ft)	Production (sq ft)	Warehousing (sq ft)	Total (sq ft)
MTAG	500	-	-	500
Toyo Sho	1,500	55,000	77,000	133,500
Intag Industrial	1,500	4,000	26,500	32,000
Intag Steel	2,000	32,000	-	34,000
	5,500	91,000	103,500	200,000

We have allocated RM33.0 million of the proceeds for the acquisition of land and construction of the first phase of our new manufacturing plant. The second phase of the construction will be undertaken at a later stage to accommodate future business expansion, if required. The cost to be incurred for the second phase will be funded from our internally-generated funds and/or bank borrowings and/or future fund raising exercise, the quantum of which has not been determined at this stage.

The following is a breakdown of the cost required for our land acquisition and first phase construction cost:

	RM'000
Land costs	8,400
Building and infrastructure works	23,600
Professional and authority fees	1,000
	33,000

If the actual cost exceeds the amount allocated, the deficit will be funded from our internally-generated funds and/or bank borrowings.

Upon the completion of new manufacturing plant, we will relocate all our business operations from our current manufacturing plant to the new manufacturing plant. We will also cease rental of the bonded warehouse. Depending on the property market condition, we may sell or rent out our current manufacturing plant.

As at LPD, we are still in the midst of identifying a suitable land for our new manufacturing plant.

(ii) Capital expenditure

We intend to utilise RM13.0 million of the proceeds for the following capital expenditure:

4. DETAILS OF OUR IPO (Cont'd)

Machineries	Description	Quantity	Estimated cost
			RM'000
Label printing machine	Letterpress label printing machine featuring intermittent web feed mechanism that offers printing and converting processes in a single pass	3	5,000
Intermittent letterpress rotary	Equipped to print up to 6 colours	1	1,000
High speed label printing machine	Printing machine equipped with an ink kneading system that produces smooth and homogenous ink	3	1,300
High speed die-cut machine	Converting machine to provide die-cut and other converting functions such as hot stamping	3	1,300
Digital press	Printing machine that enables direct printing from digital-based image	1	4,400
		11	13,000

The above machineries will be acquired from Japan, Taiwan and China.

If the actual cost exceeds the amount allocated, the deficit will be funded from our internally-generated funds and/or bank borrowings.

We believe that such utilisation of proceeds to purchase additional machineries will increase our operational capacity and improve our production efficiency.

(iii) Repayment of bank borrowings

We have allocated RM10.0 million to partially repay our bank borrowings in the following priority:

- (a) To repay our term loans from Public Bank Berhad based on the redemption amount at the time of repayment. Based on the latest bank statement as at 30 June 2019, the outstanding amount of these loans was RM6.1 million and will mature by 2029 and 2031. Such loans were previously taken to finance the purchase and construction of our current manufacturing plant. The interest rates on these term loans ranges from 4.77% to 5.07% per annum for FPE 2019; and
- (b) To repay our bankers' acceptances from Public Bank Berhad and CIMB Bank Berhad, which are utilised from time to time. As at 30 June 2019, the outstanding amount of bankers' acceptances was RM4.8 million. Bankers' acceptances are taken to finance our foreign purchases and we expect our utilisation of bankers' acceptances to increase in line with our business growth. The interest rates on our bankers' acceptances ranges from 4.02% to 5.15% per annum for FPE 2019.

4. DETAILS OF OUR IPO (Cont'd)

Based on the above, the expected annual interest savings is approximately RM0.5 million based on the interest rate of 5.0% per annum for the term loans and bankers' acceptances. However, the actual interest savings may vary depending on the then applicable interest rates.

(iv) Working capital

A total of RM12.4 million of the proceeds raised from our IPO has been earmarked to supplement the general working capital requirements of our Group.

The following is a breakdown of the utilisation of proceeds for our working capital:

Working capital	RM'000
Renovation and refurbishment of our existing manufacturing plant and warehouse such as painting works, roofing works, increase the number of racks in the warehouse and enhance the air-conditioning system, where such expenses will not be capitalised	1,100
Purchase of consumables for our converting services such as die-cut mould and equipment spare parts. Such consumables are not fixtures in the machine and have a short lifespan which requires it to be replaced from time to time, therefore the consumables costs cannot be capitalised	1,951
Maintenance costs of our machineries	500
Purchase of raw materials for our converting services	5,000
Purchase of trading goods for our distribution business	3,900
	12,451

Although we will only relocate to the new manufacturing plant in 36 months from our date of Listing, some of the machineries as set out in Section 4.9.1(ii) such as digital press will be purchased earlier to cater for our continuous expansion.

The purchase of raw materials and trading goods are to cater for our continuous expansion in the next 3 years prior to the relocation to the new manufacturing plant. Additional working capital allows us to expand our customer's base and converting services. Such expansion will also lead to higher usage of consumables.

In the same time, we will also renovate and refurbish our existing manufacturing plant and warehouse to cater for the expected increase in inventories prior to the relocation to the new manufacturing plant.

(v) Estimated listing expenses

An amount of RM3.8 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	1,950
Fees payable to authorities	100
Underwriting, placement and brokerage fees	1,500
Printing, advertising fees and contingencies ⁽²⁾	250
	3,800

4. DETAILS OF OUR IPO (Cont'd)

Notes:

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

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM36.1 million which will accrue entirely to our Selling Shareholders.

The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.7 million relating to the Offer Shares.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

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

4.10.2 Placement fees

Our Placement Agent has placed out a total of 88,235,800 Issue Shares and 68,161,500 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We are obliged to pay our Placement Agent a placement fee of 2.0% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.0% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 48,087,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 2.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 48,087,700 Issue Shares ("Underwritten Shares") as set out in Section 4.3.4 of this Prospectus.

The following are the salient terms contained in the Underwriting Agreement:

4.11.1 Conditions

The obligation of the Underwriter to underwrite the Underwritten Shares is conditional upon the following:

4. DETAILS OF OUR IPO (Cont'd)

- (i) The Underwriter receiving a certificate in the form or substantially in the form prescribed in the Underwriting Agreement dated the Closing Date (being the last date for acceptance, application for and payment of the subscription monies in respect of the application for our IPO Shares, which shall not be more than 3 months from the date of the Underwriting Agreement ("Agreement Date"), subject to any extension as may be permitted under the Underwriting Agreement) signed by a director of our Company on behalf of the Board stating that, to the best of his knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence to the warranties and undertakings as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of this Prospectus and on the Closing Date that;
 - (a) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group subsequent to Agreement Date has occurred; or
 - (b) no event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings as set out in the Underwriting Agreement materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company has occurred;
- (ii) The Underwriting Agreement being duly signed by all parties and stamped within the statutory time frame;
- (iii) This Prospectus and such other documents as may be required in accordance with the CMSA in relation to our IPO are registered with the SC and the same are lodged with the ROC by the issue date of this Prospectus;
- (iv) The approvals of the Listing Scheme by Bursa Securities, the SC (Equity Compliance Unit), MITI and the directors and shareholders of our Company by way of a circular board resolution and general meeting resolution, remain in full force and effect and all related conditions (except for any which can only be complied with after our IPO has been completed) have been complied with;
- (v) The approval for the admission of our Company to the Official List and our Listing remain in full force and effect and all related conditions (except for any which can only be complied with after our IPO has been completed) have been complied with;
- (vi) The Underwriter being satisfied that we will, following the completion of our IPO, be admitted to the Official List and that our Listing occurs without undue delay;
- (vii) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be unconditional) and not having been terminated or rescinded pursuant to the provisions therein and upon the Underwriter's (in this regard, in its capacity as the Placement Agent for the placement shares) receipt of the full subscription monies for the placement shares on or before the last date for payment of the placement shares;
- (viii) The Underwriter receiving a certified true copy of a resolution of the Directors:
 - (a) approving this Prospectus, the Underwriting Agreement and the transactions contemplated by it;
 - (b) authorising the issuance of this Prospectus; and
 - (c) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;

4. DETAILS OF OUR IPO (Cont'd)

- (ix) Our IPO not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with our IPO and/or our Listing have been obtained and are in force up to the Closing Date;
- (x) The Underwriter being satisfied that our Company has complied with and that our IPO is in compliance with the policies, guidelines and requirements of the SC (if any) and Bursa Securities and all revisions, amendments and/or supplements to it;
- (xi) All necessary consents, waivers, approvals, authorisations or other orders of all regulatory authorities, required for or in connection with the execution of the Underwriting Agreement and the issue of our Shares under our IPO and any other matters contemplated have been or will be unconditionally obtained by its due date; or if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and are or will remain in full force and effect;
- (xii) The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") being not lower than 90% of the level of the Index for at least 3 consecutive Market Days between the Agreement Date and the Closing Date, both dates inclusive;
- (xiii) There being no occurrence of any event after the Agreement Date and on or prior to the Closing Date which if it had occurred before the Agreement Date would have rendered any of the representations, warranties and undertakings set out in the Underwriting Agreement untrue or inaccurate;
- (xiv) There being no breach of and/or failure, on or prior to the Closing Date by our Company to perform any of the terms and/or the undertakings contained in the Underwriting Agreement;
- (xv) There being no investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter;
- (xvi) The launching of this Prospectus taking place within 3 months from the Agreement Date or such other later date as the Underwriter and our Company may agree from time to time in writing;

4.11.2 Waiver

The Underwriter may waive all or any of the conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.

4.11.3 Election by Company not to proceed

If all the conditions have been complied with and our Company decides not to proceed with the IPO, the Underwriter shall be entitled to terminate the Underwriting Agreement and the provisions set out in Section 4.11.5 below relating to termination shall apply. The parties shall be released and discharged from their respective obligations and the Underwriting Agreement shall become null and void.

4. DETAILS OF OUR IPO (Cont'd)

4.11.4 Non-satisfaction of conditions

If any of the conditions set out in Section 4.11.1(ii), (iii), (iv), (vii) or (viii) above are not satisfied by the date of issue of this Prospectus or such later date as the Underwriter and our Company may agree from time to time in writing and / or if any of the conditions contained in the Underwriting Agreement other than those set out in Sections 4.11.1(ii), (iii), (iv), (vii) or (viii) above to the extent not waived are not satisfied by the Closing Date, the Underwriter shall be entitled to terminate the Underwriting Agreement pursuant to Section 4.11.5 below. The parties shall be released and discharged from their respective obligations and the Underwriting Agreement shall become null and void and none of the parties shall have a claim against the other save for any antecedent breaches.

4.11.5 Termination

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may after consultation with our Company any time before the Underwriter is discharged or required to carry out its underwriting obligation, terminate and withdraw its obligation to subscribe or procure subscribers for the Underwritten Shares not taken up or subscribed or applied for by the Closing Date ("Underwriting Commitment") under the Underwriting Agreement if:

- (i) any of the conditions contained in Section 4.11.1 above (save and unless waived by the Underwriter) are not duly satisfied by the Closing Date;
- (ii) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 10 Market Days from the date our Company is notified by the Underwriter of such breach; or
- (iii) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or
- (iv) there is withholding of material information by our Company which in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of our IPO, or the distribution or sale of the Shares issued or offered under our IPO; or
- (v) the approval of Bursa Securities in respect of our IPO or the approval-in-principle of Bursa Securities for our Listing is withdrawn; or
- (vi) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or Group from that set out in this Prospectus which is material in the context of the offering of the Issue Shares and/or the Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties and undertakings contained in the Underwriting Agreement as though given or made on such date; or
- (vii) the Closing Date does not occur within 3 months from the Agreement Date, subject to the extension of Closing Date which is approved by the Underwriter; or
- (viii) our Company or any of our subsidiaries becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or

4. DETAILS OF OUR IPO (Cont'd)

- (ix) the occurrence of any *force majeure* event including, but not limited to the following:
- (a) any material adverse change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rate (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or
 - (b) any new law or any change in the existing laws, regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority; or
 - (c) any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, widespread diseases, acts of war, sabotage, acts of God etc); or
 - (d) any moratorium, suspension or material restriction imposed on trading of securities on ACE Market of Bursa Securities due to exceptional financial circumstances; or
 - (e) any material adverse change in financial conditions as stated in Section 4.11.5(ix)(a) above to include stock market conditions and interest rates. A material adverse change in the stock market condition under this Section shall mean the Index is, at the close of normal trading on Bursa Securities, on any Market Day on or after the Agreement Date and prior to the allotment of the Issue Shares, lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the Agreement Date and remains at or below that level for at least 3 Market Days, which may materially prejudice the success of our IPO; or
 - (f) there is any government requisition or occurrence of any other nature which materially and adversely affects or will materially and adversely affect the business and/or financial position of our Group; or
 - (g) in the event that the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Underwriter;

which, would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or Group, the success of our IPO, or the distribution or sale of our Issue Shares or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

4. DETAILS OF OUR IPO (Cont'd)

4.11.6 Effect of termination

If the Underwriter terminates its obligation pursuant to Section 4.11.5 above, the parties shall be released and discharged from their respective obligations hereunder save for the Underwriter's rights to the following:

- (i) full payment of the underwriting commission stipulated in Section 4.10.3 above;
- (ii) costs and expenses incurred by the Underwriter in connection with the underwriting of the Underwritten Shares in the manner set out in the Underwriting Agreement; and
- (iii) right to be indemnified by our Company in the manner set out in the Underwriting Agreement.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

Pursuant to the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares each upon admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. In the event we fail to meet the said requirement pursuant to our IPO, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the

4. DETAILS OF OUR IPO (Cont'd)

making of our IPO in certain jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with M&A Securities as our Adviser, Sponsor, Underwriter and Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

You must have a CDS Account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS Account number in the space provided in the Application Form. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for our IPO Shares. Please refer to Section 16 for further details on the summarised procedures for application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS Account can make an Electronic Share Application and the applicant shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

In the case of an Application by way of Internet Share Application, only an applicant who has a CDS Account and an existing account to their internet financial services with the Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS Account number to the Internet Participating Financial Institutions by keying your CDS Account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT**5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS****5.1.1 Promoters' and substantial shareholders' shareholdings**

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

Name	Nationality	⁽¹⁾ Before IPO		⁽²⁾⁽³⁾ After IPO					
		Direct		Direct		Indirect			
		No. of Shares	%	No. of Shares	%	No. of Shares	%		
Chaw Kam Shiang	Malaysian	344,151,970	63.1	⁽⁴⁾ 47,474,060	8.7	344,151,970	50.5	⁽⁴⁾ 13,393,310	2.0
Lau Cher Liang	Malaysian	147,912,294	27.1	-	-	113,831,544	16.7	⁽⁴⁾⁽⁵⁾ 115,100	*
Ang Yam Fung	Malaysian	47,474,060	8.7	⁽⁴⁾ 344,151,970	63.1	13,393,310	2.0	⁽⁴⁾ 344,151,970	50.5

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 545,293,900 Shares before IPO
- (2) Based on the enlarged share capital of 681,617,400 Shares after IPO
- (3) After Public Issue and Offer for Sale
- (4) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act
- (5) Assuming that his spouse will fully subscribe for her entitlements under the Pink Form Allocations

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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.1.2 Profiles of Promoters and substantial shareholders**

The profiles of our Promoters and substantial shareholders are as follows:

(i) Ang Yam Fung

Ang Yam Fung is our Promoter and substantial shareholder. She is also our Group's Chief Human Resource Officer. Her profile is set out in Section 5.3.3.

(ii) Chaw Kam Shiang

Chaw Kam Shiang is our Promoter and substantial shareholder. He is also our Managing Director. His profile is set out in Section 5.2.2.

(iii) Lau Cher Liang

Lau Cher Liang is our Promoter and substantial shareholder. He is also our Executive Director. His profile is set out in Section 5.2.2.

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

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

Name	⁽¹⁾ As at incorporation			⁽²⁾ After Acquisitions			⁽⁴⁾ As at LPD					
	Direct		Indirect	Direct		Indirect	Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Chaw Kam Shiang	1	100.0	-	-	⁽³⁾ 344,151,970	63.1	⁽⁵⁾ 47,474,060	8.7	344,151,970	50.5	⁽⁶⁾ 13,393,310	2.0
Lau Cher Liang	-	-	-	-	147,912,294	27.1	-	-	113,831,544	16.7	⁽⁵⁾⁽⁶⁾ 115,100	*
Ang Yam Fung	-	-	-	-	47,474,060	8.7	⁽⁵⁾ 344,151,970	63.1	13,393,310	2.0	⁽⁵⁾ 344,151,970	50.5

Notes:

* Less than 0.1%

⁽¹⁾ Subsequent to incorporation, 1 Share was issued to Wong Mau Sang

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

- (2) Based on the share capital of 545,293,900 Shares after Acquisitions
- (3) Including 1 Share transferred from Wong Mau Sang to him
- (4) Based on the enlarged share capital of 681,617,400 Shares after IPO
- (5) Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act
- (6) Assuming that his spouse will fully subscribe for her entitlements under the Pink Form Allocations

5.1.4 Persons exercising control over the corporation

Save for our Promoters, there are no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2 DIRECTORS****5.2.1 Directors' shareholdings**

Save for Dyana Sofya Binti Mohd Daud who does not have any Shares in our Company and has opted out of the Pink Form Allocations, the shareholdings of our other Directors in our Company before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ Before IPO			⁽²⁾ / ⁽³⁾ After IPO				
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lee Ting Kiat	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	1,000,000	0.1	-	-
Chaw Kam Shiang	Managing Director/ Malaysian	344,151,970	63.1	⁽⁴⁾ 47,474,060	8.7	344,151,970	50.5	⁽⁴⁾ 13,393,310	2.0
Goh Jui Heng	Executive Director/ Malaysian	5,755,576	1.1	-	-	5,755,576	0.8	⁽⁴⁾ / ⁽⁵⁾ 115,400	*
Lau Cher Liang	Executive Director/ Malaysian	147,912,294	27.1	-	-	113,831,544	16.7	⁽⁴⁾ / ⁽⁵⁾ 115,100	*
Jason Tan Kim Song	Independent Non-Executive Director/ Malaysian	-	-	-	-	500,000	*	-	-

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

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 545,293,900 Shares after Acquisitions
- (2) Based on the enlarged share capital of 681,617,400 Shares after IPO
- (3) Assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations
- (4) Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Act
- (5) Assuming that their spouses will fully subscribe for their respective entitlements under the Pink Form Allocations

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

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Lee Ting Kiat, a Malaysian, aged 51, is our Independent Non-Executive Chairman. He was appointed to our Board on 19 October 2018 and is also the Chairman of our Remuneration Committee. He is also a member of our Audit Committee, Risk Management Committee and Nominating Committee.

He graduated with a Bachelor of Laws from University of Malaya, Malaysia, in 1991 and admitted as an advocate & solicitor of the High Court of Malaya in 1992. He is a General Committee Member of the Malaysian International Chamber of Commerce and Industry ("MICCI") since 2018 and an Executive Committee Member for the MICCI (Southern Region) since 2017.

Upon his graduation, he started his pupillage in 1991 and commenced his practice in Messrs Azim, Tunku Farik & Wong (previously known as Azim, Ong & Krishnan) from 1992 to 1994.

In 1994, he joined Messrs Andrew Wong & Co as a legal assistant and in 1995, he was made a partner of the firm. He then left to join Messrs Zaid Ibrahim & Co as a senior associate in 1999 and was made a partner in 2000. As a partner of the said legal firms, he was responsible for handling corporate, commercial, finance and property matters. In 2005, he left the firm and co-founded Messrs Lee & Tengku Azrina with a partner. Presently, he is the managing partner and practising lawyer of Messrs Lee & Tengku Azrina, responsible for its corporate, commercial, finance and property practices.

He is currently an Independent Non-Executive Director of SIG Gases Berhad since 2011 and Pestech International Berhad since 2017, both listed on Bursa Securities.

Chaw Kam Shiang, a Malaysian, aged 58, is our Managing Director. He was appointed to our Board on 2 January 2018 and is a member of our Risk Management Committee. He currently spearheads our Group's business direction, overall strategies and policies and has more than 25 years of experience in the label printing and converting industry.

He obtained a Unified Examination Certificate after completing his secondary education at Yong Peng High School, Johor in 1979. He later obtained his Bachelor of Economics from Kochi University, Japan in 1991.

In 1980, after completing his secondary school education, Chaw Kam Shiang began his career as a freelance electrician in Singapore. Later in 1986, he went to Japan to take up a pre-university matriculation programme in The International Exchange Institute of Japanese Language for a year before continuing his bachelor degree at Kochi University, Japan. In 1991, he returned to Malaysia to work as a purchasing officer, assisting in procurement activities in Sharp-Roxy Electronics Corporation (M) Sdn Bhd, a company involved in manufacturing and sales of consumer electronics, located in Batu Pahat, Johor.

In 1993, he left the company and joined Multi Labels & Stickers Sdn Bhd, a company involved in printing of labels and stickers, as a sales manager. During his tenure with the company, he was involved in developing and executing sales strategies.

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

In 1995, he left Multi Labels & Stickers Sdn Bhd to establish Toyo Sho with Choo Jack Kie, who is the Business Unit Head of Toyo Sho. In 2001, he saw the increased demand from its existing E&E customers for other products such as cleanroom products, disposable products, wipers and gloves. This prompted Chaw Kam Shiang to establish Intag Industrial with Lau Cher Liang. Chaw Kam Shiang provided business directions and strategies as well as financial support for the introduction of various converting services of Intag Industrial.

He is the spouse of Ang Yam Fung, our Promoter, substantial shareholder and Chief Human Resource Officer.

Lau Cher Liang, a Malaysian, aged 43, is our Executive Director. He was appointed to our Board on 2 January 2018. He is the Business Unit Head of Intag Industrial where he oversees its daily operations.

In 1994, after completing his secondary school education at Sekolah Menengah Kebangsaan Dato' Jaafar, Johor Bahru, he worked as an electrician on a freelance basis in Singapore.

In 1995, he took up a marketing course at RIMA International College, Johor Bahru and obtained a Chartered Institute of Marketing's Advanced Certificate in Marketing. Subsequently in 1996, he joined Canon Marketing (Malaysia) Sdn Bhd, a company involved in the sales and distribution of Canon branded products, as a sales officer, responsible for marketing activities and managing customer relationships. In 1999, he left the company to set up First Allied Enterprise, a sole proprietorship business that was involved in trading of office equipment. The sole proprietorship ceased operations in 2002.

In 2001, he established Intag Industrial with Chaw Kam Shiang and was responsible for the day-to-day operations of Intag Industrial, a role he still holds currently.

Goh Jui Heng, a Malaysian, aged 49, is our Executive Director. He was appointed to our Board on 2 January 2018. He is the Business Unit Head of Intag Steel where he oversees its daily operations.

In 1989, after completing his secondary school education at Sekolah Menengah Jenis Kebangsaan Seg Hwa, Segamat, Johor, he began his career as a sales executive, assisting in the marketing activities, for Electrolux Home Appliances Sdn Bhd, a company involved in distributing Electrolux products.

In 1990, he left the company and joined Hitachi Cable Singapore Pte Ltd as a team leader, mainly responsible for overseeing a shift team in the product packing line. Subsequently in 1995, he was transferred to the company's Johor branch office, Hitachi Cable (Johor) Sdn Bhd to build the company's supply chain function. During his tenure with the company, he helped to establish its production and logistic operations.

In 1999, he took up a course in Advanced Certificate in Purchasing and Material Management from the Malaysian Institute of Purchasing and Materials Management which provided him with the knowledge to manage and improve the supply chain function in Hitachi Cable (Johor) Sdn Bhd.

In 2007, he left the company as head of logistics department to join Intag Steel as the head of sales department. Later in 2008, he became a shareholder and Director of Intag Steel.

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

Jason Tan Kim Song, a Malaysian, aged 41, is our Independent Non-Executive Director. He was appointed to our Board on 19 October 2018 and is also the Chairman of our Audit Committee and Risk Management Committee. He is also a member of our Remuneration Committee and Nominating Committee.

In 2000, he graduated with a Bachelor of Commerce and Administration in Commercial Law from Victoria University of Wellington, New Zealand. He later pursued his professional qualification from the Association of Chartered Certified Accountants on part time basis and was admitted as a member in 2007. He has been a registered member of the Malaysian Institute of Accountants since 2008 as well as an Associate Member of the Malaysia Institute of Taxation since 2008. In 2012, he was admitted as a Fellow Member of the Association of Chartered Certified Accountants of UK. He is also a registered member of the Institute of Singapore Chartered Accountants since 2016.

Upon graduation, he began his career as an accounts executive in 2001 for Paclin Office Products Pte Ltd, a Singaporean company involved in the manufacturing of identity cards and installation of identity card systems. In 2002, he left the company and joined CL Ng & Associates, a certified public accountants firm in Malaysia, as an audit and tax assistant and was later promoted as audit and tax senior in 2003.

While working with CL Ng & Associates, in 2005 he co-founded Creative group of companies to provide corporate secretarial services. In 2009, he left CL Ng & Associates as audit and tax manager to focus on expanding his business. Presently, he is the Director of the Creative group of companies and is in-charge of overseeing its daily operations. Creative group of companies is currently involved in the provision of corporate secretarial and management, accountancy, company tax and personal tax planning services in Malaysia and Singapore. He also runs his own accounting firm, namely CS Lee & Associates.

He is a registered company secretary for several private companies.

Dyana Sofya Binti Mohd Daud, a Malaysian, aged 32, is our Independent Non-Executive Director. She was appointed to our Board on 19 October 2018 and is also the Chairman of our Nominating Committee. She is also a member of our Audit Committee, Risk Management Committee and Remuneration Committee.

In 2010, she graduated with a Bachelor of Laws with Honours from Universiti Teknologi MARA, Malaysia. She was admitted as an advocate & solicitor of the High Court of Malaya in 2011. She subsequently obtained a Master of Arts in International Studies and Diplomacy from School of Oriental and African Studies University of London, UK, in 2016.

Upon her graduation, she started her pupillage in Messrs Azmi & Associates and commenced her practice in Messrs Nizamuddin Hamid & Co in 2012 as a partner dealing with corporate matters.

In 2013, she left Messrs Nizamuddin Hamid & Co to be political secretary to the Member of Parliament for Gelang Patah, Johor. In 2014, she was designated as the political secretary to the parliamentary leader of Democratic Action Party. As political secretary, she was in charge of providing administrative, secretarial and political support services. She then took a gap year from 2015 to 2016 to further her studies in UK.

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

Upon her return to Malaysia in January 2017, she joined Messrs Gibb & Co as a legal assistant dealing with corporate matters in the Teluk Intan branch. She left the firm in October 2017 and joined Messrs Ayub & Co (now known as Messrs Ayub, Dyana, Zainal & Zakaria) as partner where her responsibilities include managing and advising clients on legal matters, focusing in the corporate field as well as managing the client relationship and public relations of the firm.

In May 2018, she was appointed as Non-Independent Non-Executive Director of Impiana Hotels Berhad (formerly known as Bio Osmo Berhad), a listed company on Bursa Securities.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.3 Principal business performed outside our group**

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

(i) Lee Ting Kiat

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Messrs Lee & Tengku Azrina	Legal firm	Managing partner	1 April 2005	-	Not applicable	Not applicable
Procid Sdn Bhd	Consultant, trader and distributor of healthcare and wellness products	Director and shareholder	5 January 2007	-	33.3	-
Pestech International Berhad	Investment holding, general trading and provision of management services with subsidiaries involved in the engineering, design, manufacturing, installation and commissioning of electrical power facilities	Director and shareholder	26 May 2017	-	0.1	-
SIG Gases Berhad	Investment holding with subsidiaries involved in the manufacturing, refilling and distribution of all kinds of industrial gases in Malaysia	Director	15 March 2011	-	-	-
Malaysian International Chamber of Commerce & Industry	Business association	Director	16 October 2018	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(ii) Chaw Kam Shiang**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Sam-Q Industrial Sdn Bhd (formerly known as Toyo Sho Industrial Supplies Sdn Bhd)	Property investment	Director and shareholder	23 January 2007	-	70.0	-
Techno Coats Industrial Sdn Bhd	Property investment	Director and shareholder	16 November 2015	-	60.0	-
Million Yacht Service Sdn Bhd	Dormant with intended principal activities as a boat charterer	Director and shareholder	8 November 2016	-	20.0	-
Vantage Hour Sdn Bhd	Property investment	Director and shareholder	2 July 2014	-	50.0	-
Trillion Paradise Sdn Bhd	Property investment	Director and shareholder	8 May 2015	-	51.0	-
Diamond Megalink Sdn Bhd	Property investment	Director and shareholder	25 February 2014	-	55.0	-
Value Season Sdn Bhd	Property investment	Director and shareholder	15 July 2013	-	80.0	-
Brightwater Sunrise Sdn Bhd	Property investment	Director and shareholder	1 October 2014	-	70.0	(1)30.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at	
					Direct	Indirect
Harmony Networks Sdn Bhd	Property investment	Director and shareholder	24 September 2014	-	99.99	(1)0.01
Sam-Q Technology Sdn Bhd	Computer related sales and services	Director and shareholder	1 February 2005	-	60.0	(1)40.0
1 Million Hotel Sdn Bhd	Hotel operator and property investment	Director and shareholder	1 January 2015	-	51.0	-
123 Prestige Sdn Bhd	Property investment	Director and shareholder	16 June 2016	-	70.0	-
Intag Auto Accessories Sdn Bhd	Ceased operations	Director and shareholder	10 July 2015	-	60.0	-
Sinergi Mega Ratusan Sdn Bhd	Dormant with no intended principal activities	Director and shareholder	27 September 2018	-	50.0	(1)50.0
Past involvement Super Graphic Industrial Supplies Sdn Bhd	Graphic, colour separation and materials supply service	Director and shareholder (ceased as a shareholder on 25 June 2018)	19 January 2010	4 June 2018	60.0	-
Super Gold Industrial Sdn Bhd	Trading in sealant and packaging products	Director and shareholder (ceased as a shareholder on 8 May 2018)	10 July 2015	16 April 2018	60.0	(1)40.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at	
					Direct	Indirect
Toyo Sho Industrial Sdn Bhd	The company was struck off on 21 February 2018	Director and shareholder (ceased when the company was struck off)	22 October 2015	-	80.0	-
Techno Sprays Industrial Sdn Bhd	The company was struck off on 5 February 2018	Director and shareholder (ceased when the company was struck off)	17 November 2015	-	70.0	-
Loyal Concord Sdn Bhd	The company was struck off on 17 May 2017	Director and shareholder (ceased when the company was struck off)	9 March 2012	-	50.0	(1)50.0
Super Gold Products Sdn Bhd (formerly known as Intag Industrial Products Sdn Bhd)	Ceased operations	Director and shareholder (ceased as a shareholder on 9 July 2018)	13 March 2015	12 June 2018	70.0	-

Note:

(1) Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Act

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(iii) Lau Cher Liang**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Sam-Q Industrial Sdn Bhd (formerly known as Toyo Sho Industrial Supplies Sdn Bhd)	Property investment	Director and shareholder	1 April 2012	-	30.0	-
Techno Coats Industrial Sdn Bhd	Property investment	Director and shareholder	16 November 2015	-	40.0	-
PA Properties Sdn Bhd	Property investment	Director and shareholder	26 October 2017	-	100.0	-
Treetops Montessori Sdn Bhd	Pre-primary education	Director and shareholder	21 November 2017	-	30.0	-
Vantage Hour Sdn Bhd	Property investment	Director and shareholder	2 July 2014	-	50.0	-
Diamond Megalink Sdn Bhd	Property investment	Director and shareholder	25 February 2014	-	20.0	-
Value Season Sdn Bhd	Property investment	Director and shareholder	15 July 2013	-	20.0	-
1 Million Hotel Sdn Bhd	Hotel operator and property investment	Director and shareholder	1 January 2015	-	20.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
123 Prestige Sdn Bhd	Property investment	Director and shareholder	16 June 2016	-	30.0	-
Intag Auto Accessories Sdn Bhd	Ceased operations	Director and shareholder	10 July 2015	-	40.0	-
Past involvement						
Toyo Sho Industrial Sdn Bhd	The company was struck off on 21 February 2018	Director and shareholder (ceased when the company was struck off)	22 October 2015	-	20.0	-
Techno Sprays Industrial Sdn Bhd	The company was struck off on 5 February 2018	Director and shareholder (ceased when the company was struck off)	17 November 2015	-	30.0	-
Super Gold Products Sdn Bhd (formerly known as Intag Industrial Products Sdn Bhd)	Ceased operations	Director and shareholder (ceased as a shareholder on 9 July 2018)	13 March 2015	12 June 2018	30.0	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(iv) Goh Jui Heng**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement 1 Million Hotel Sdn Bhd	Hotel operator and property investment	Director and shareholder	1 January 2015	-	9.0	-
Past involvement Super Gold Supply Sdn Bhd (formerly known as Intag Engineering Hardware Sdn Bhd)	Trading in hardware products	Director and shareholder (ceased as a shareholder on 8 May 2018)	23 September 2015	16 April 2018	60.0	-

(v) Jason Tan Kim Song

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement CS Lee & Associates	Accounting firm	Sole practitioner	31 December 2017	-	Not applicable	Not applicable
SSAB Swedish Steel Sdn Bhd	General importer, exporter, distribution and retailing of steel and metals and its related engineering services	Director	12 March 2018	-	-	-
Online Hosting Sdn Bhd	Computer application and programming services	Director and shareholder	22 April 2016	-	50.0	-
Interactive Portfolio Sdn Bhd	Property investment and management services	Director and shareholder	11 January 2006	-	50.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Creative Business Management Sdn Bhd	Engaged in management, accounting, secretarial, software and business consultancy services	Director and shareholder	1 August 2005	-	50.0	-
Creative Corporate Management Sdn Bhd	Management consultant, accounting and book-keeping services	Director and shareholder	30 November 2005	-	50.0	-
Creative Tax Advisory Sdn Bhd	Tax consultancy services	Director and shareholder	16 July 2012	-	50.0	-
Creative Hubs Corporation Sdn Bhd	Dormant with no intended principal activities	Director and shareholder	30 November 2005	-	50.0	-
Clover Leisure Sdn Bhd	Investment holding in a hotel operator	Director and shareholder	19 May 2009	-	33.3	-
Willimik Holdings Sdn Bhd	Property investment	Director	18 March 2013	-	-	-
Hong Lip Properties Sdn Bhd	Property investment holding and hardware distribution	Director and shareholder	13 April 2017	-	20.0	-
Induk Takzim Sdn Bhd	Property investment	Director and shareholder	27 January 2017	-	33.3	-
RY Tea Sdn Bhd	Ceased operations	Director and shareholder	10 January 2017	-	50.0	-
Baguss Resources Sdn Bhd	Restaurants, hotels and resort hotels	Director	21 March 2019	-	-	⁽¹⁾ 10.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Micromoney International Sdn Bhd	Dormant with no intended principal activities	Director	10 April 2018	-	-	-
Creative Business Management Pte Ltd	Business and management consultancy services; Book-keeping services	Director and shareholder	1 August 2005	-	35.0	-
Creative Corporate Management Pte Ltd	Business and management consultancy services; Book-keeping services	Director and shareholder	1 November 2007	-	34.0	-
Creative Global Mgt Pte Ltd	Business and management consultancy services	Director and shareholder	1 January 2018	-	50.0	-
CND Technology Pte Ltd	General wholesale trade (including general importers and exporters)	Director and shareholder	24 August 2016	-	100.0	-
Asia Glare Pte Ltd	Dormant with no intended principal activities	Director	20 July 2016	-	-	-
Interactive Portfolio Pte Ltd	Investment holding in a restaurant and hotel operator	Director	22 March 2019	-	100.0	-
Past involvement Havona Hotel Sdn Bhd	Hotel operator	Director and shareholder	18 August 2008	31 December 2014	-	(2)33.3
JC Plantation	Plantation	Partner	15 July 2014	14 July 2015	Not applicable	Not applicable
SSAB Swedish Steel Sdn Bhd	General importer, exporter, distribution and retailing of steel and metals and its related engineering services	Director	17 September 2013	6 May 2015	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Creative Mortgage Reduction (M) Sdn Bhd	The company was struck off on 14 July 2017	Director and shareholder (ceased when the company was struck off)	11 January 2006	-	50.0	-
Bay Hub Trading Sdn Bhd	The company was struck off on 19 February 2016	Director and shareholder (ceased when the company was struck off)	17 July 2013	1 October 2013	50.0	-
Fine Channels Sdn Bhd	The company was struck off on 11 November 2015	Shareholder (ceased when the company was struck off)	-	-	50.0	-
Symphonia Music Centre Sdn Bhd	The company was struck off on 8 June 2018	Director and shareholder (ceased when the company was struck off)	1 October 2009	-	39.9	-
Equisys Techno Sdn Bhd	The company was struck off on 8 June 2018	Director (ceased when the company was struck off)	17 July 2013	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Addiction F&B Sdn Bhd	The company was struck off on 14 July 2017	Director and shareholder (ceased when the company was struck off)	25 June 2013	-	50.0	-
Premdon Marketing Sdn Bhd	The company was struck off on 14 July 2017	Director and shareholder (ceased when the company was struck off)	1 March 2013	-	50.0	-
1MP System Sdn Bhd	The company was struck off on 22 July 2016	Director and shareholder (ceased when the company was struck off)	11 September 2014	-	60.0	-
Fesyen Melati Sdn Bhd	Subcontract in the manufacture of garments	Director	18 March 2013	2 September 2014	-	-
Profound AG Corporate Services Sdn Bhd	Corporate secretary, management consultant and provision of other related service	Director and shareholder (ceased as a shareholder on 28 November 2014)	3 February 2012	27 March 2013	40.0	-
Loewe Fashion (M) Sdn Bhd	Retailers of leather goods, branded designer clothing and accessories	Director	1 July 2009	11 April 2014	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
QPS Technology (S) Pte Ltd	The company was struck off on 17 October 2014	Director and shareholder (ceased when the company was struck off)	2 April 2007	-	50.0	-
LTG Ventures Pte Ltd	The company was struck off on 4 July 2016	Director and shareholder (ceased when the company was struck off)	10 September 2008	-	100.0	-
E-Century Resources Pte Ltd	The company was struck off on 4 July 2016	Director and shareholder (ceased when the company was struck off)	17 February 2008	-	100.0	-
Belgo Technology Pte Ltd	The company was struck off on 4 July 2016	Director and shareholder (ceased when the company was struck off)	23 December 2008	-	100.0	-

Note:

- (1) Deemed interest by virtue of his shareholdings in Interactive Portfolio Pte Ltd
- (2) Deemed interest by virtue of his shareholdings in Clover Leisure Sdn Bhd

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(vi) Dyana Sofya Binti Mohd Daud**

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at	
					Direct	Indirect
Present involvement Messrs Ayub, Dyana, Zainal & Zakaria	Legal firm	Partner	23 October 2017	-	Not applicable	Not applicable
Impiana Hotels Berhad (formerly known as Bio Osmo Berhad)	Management and operation of hotels and resorts, property investment and hotel development	Director	30 May 2018	-	-	-

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

Please refer to Section 11.1 for details of conflict of interest between our Group and our Directors and substantial shareholders.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.4 Directors remuneration and benefits**

The remuneration of our Directors including fees, salaries, bonuses, commissions, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2018 and 2019 are as follows:

	Directors' fees		Salaries	⁽¹⁾ Bonuses	Commission	Other emolument	Benefits-in-kind	Total
	RM'000	RM'000						
FYE 2018								
Lee Ting Kiat	-	-	-	-	-	-	-	-
Chaw Kam Shiang	1,103.5	152.0	64.6	-	-	47.5	-	1,367.6
Lau Cher Liang	684.5	123.5	95.8	2,138.8	303.6	-	-	3,346.2
Goh Jui Heng	72.0	69.6	11.6	130.4	26.3	-	-	309.9
Jason Tan Kim Song	-	-	-	-	-	-	-	-
Dyana Sofya Binti Mohd Daud	-	-	-	-	-	-	-	-
Proposed for FYE 2019								
Lee Ting Kiat	30.0	-	-	-	-	1.5	-	31.5
Chaw Kam Shiang	-	789.6	1,709.2	-	274.7	-	-	2,773.5
Lau Cher Liang	-	627.6	2,696.9	-	255.3	-	-	3,579.8
Goh Jui Heng	-	180.0	138.8	-	57.6	-	-	376.4
Jason Tan Kim Song	24.0	-	-	-	1.5	-	-	25.5
Dyana Sofya Binti Mohd Daud	24.0	-	-	-	1.5	-	-	25.5

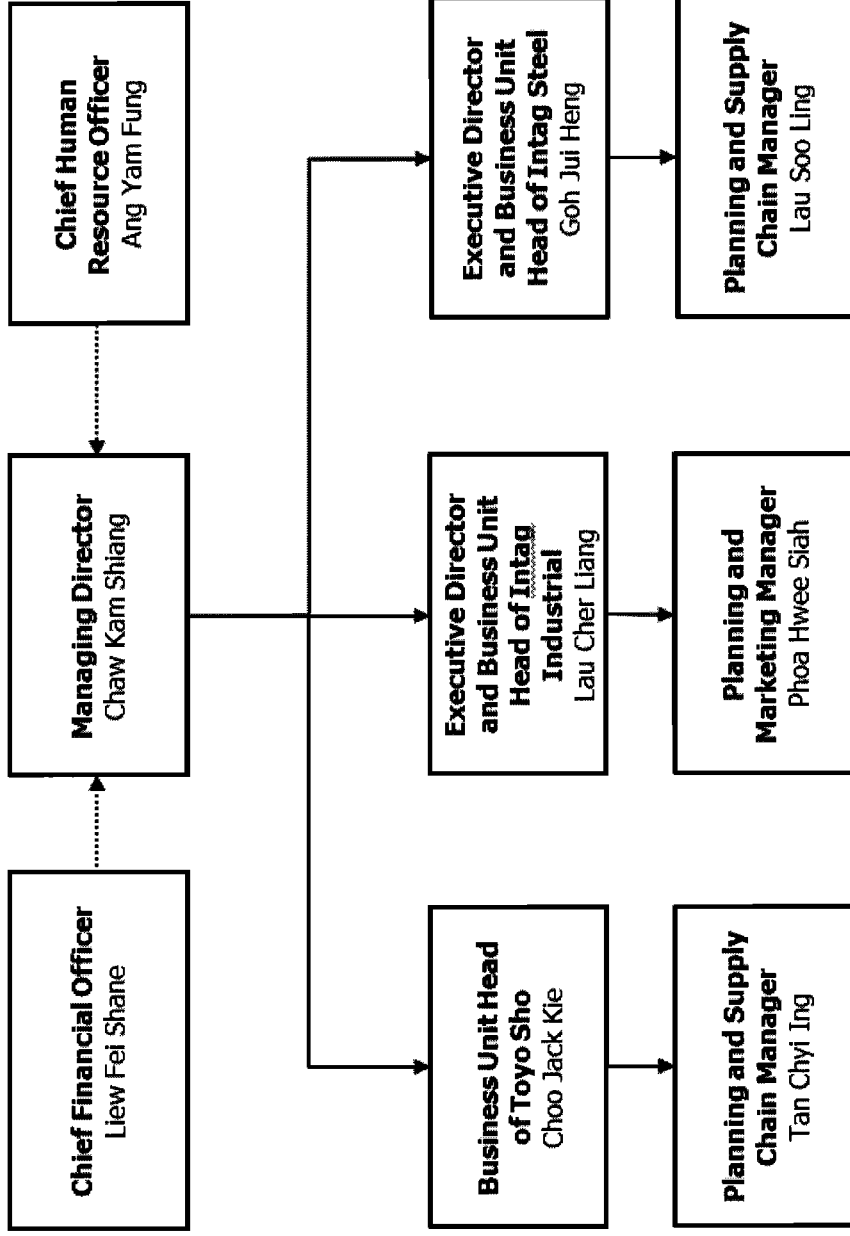
Note:

⁽¹⁾ Being proposed bonuses for FYE 2019. The final bonuses will be subject to recommendation of our Remuneration Committee and approval by our Board

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

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.3.2 Key senior management shareholdings**

The shareholdings of our key senior management before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO			
		Direct		Indirect	Direct		Indirect	
		No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	
Chaw Kam Shiang	Managing Director/ Malaysian	344,151,970	63.1	⁽⁴⁾ 47,474,060	344,151,970	50.5	⁽⁴⁾ 13,393,310	2.0
Lau Cher Liang	Executive Director and Business Unit Head of Intag Industrial/ Malaysian	147,912,294	27.1	-	113,831,544	16.7	⁽⁴⁾⁽⁵⁾ 115,100	*
Goh Jui Heng	Executive Director and Business Unit Head of Intag Steel / Malaysian	5,755,576	1.1	-	5,755,576	0.8	⁽⁴⁾⁽⁵⁾ 115,400	*
Liew Fei Shane	Chief Financial Officer/ Malaysian	-	-	-	200,000	*	-	-
Choo Jack Kie	Business Unit Head of Toyo Sho/ Malaysian	-	-	-	207,500	*	-	-

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

Name	Designation/ Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO				
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ang Yam Fung	Chief Human Resource Officer/ Malaysian	47,474,060	8.7	⁽⁴⁾ 344,151,970	63.1	13,393,310	2.0	⁽⁴⁾ 344,151,970	50.5
Phoa Hwee Siah	Planning and Marketing Manager/ Malaysian	-	-	-	-	91,500	*	-	-
Tan Chyi Ing	Planning and Supply Chain Manager/ Malaysian	-	-	-	-	124,900	*	-	-
Lau Soo Ling	Planning and Supply Chain Manager / Malaysian	-	-	-	-	86,600	*	-	-

Notes:

- * Less than 0.1%
- ⁽¹⁾ Based on the share capital of 545,293,900 Shares after Acquisitions
- ⁽²⁾ Based on the enlarged share capital of 681,617,400 Shares after IPO
- ⁽³⁾ Assuming that our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations
- ⁽⁴⁾ Deemed interest by virtue of his/her spouse's interest pursuant to Section 8 of the Act
- ⁽⁵⁾ Assuming that their spouses will fully subscribe for their respective entitlements under the Pink Form Allocations

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

5.3.3 Profiles of key senior management

Save for the profiles of our Executive Directors, which are disclosed in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

Liew Fei Shane, a Malaysian, aged 48, is our Group's Chief Financial Officer. She is responsible for handling the finance and accounting functions of our Group.

She obtained her professional accounting qualification under an articleship programme jointly offered by KPMG Malaysia and the Professional Advancement Achievement Centre Sdn Bhd, Malaysia in 1997. In 1998, she was admitted as a member of the Malaysian Institute of Certified Public Accountants. She is also a Chartered Accountant of Malaysian Institute of Accountants since 1999, a Certified Financial Planner of the Financial Planning Association of Malaysia since 2002 and an Asean Chartered Professional Accountant since 2018.

She started her career as an article clerk with KPMG Malaysia in 1991 where she was involved in conducting independent statutory financial audit. During her employment in KPMG Malaysia, she had short stints in the secretarial and tax departments. In January 1998, she left KPMG Malaysia to join Hexagon Holdings Berhad, a listed company that provides plant and process engineering services, as an accountant. In December 1998, she joined Khind Holdings Berhad, a listed company that manufactures electrical home appliances, as an accountant. As accountant in both companies, she was responsible for handling their group accounts as well as statutory reporting.

In 2002, she joined Mei Er Xiang Food Products Sdn Bhd, a company involved in manufacturing of food products, as finance cum admin manager. She was responsible for the overall function of the finance and administration department. In 2007, she left the company to join WPM Technology Sdn Bhd, a manufacturer of plastic products, as a finance manager to oversee the company's financial and accounting functions.

In 2012, she joined Marlborough College Malaysia, a coeducational international day/boarding school in Johor Bahru as a finance manager. She was one of the founding management of Marlborough College Malaysia and was instrumental in setting up its finance department.

In February 2018, she left Marlborough College Malaysia to join our Group and assumed her current position.

Choo Jack Kie, a Malaysian, aged 47, is the Business Unit Head of Toyo Sho where he oversees its daily operations.

In 1989, after leaving Sekolah Menengah Kebangsaan Rengit, Batu Pahat, Johor, he took a gap year and travelled to Taiwan and Japan where he took on various freelance jobs relating to the operation of printing machines.

In 1990, he began work at Prelude Printing (M) Sdn Bhd, a printing and packaging company as a production executive, where he operated newspaper and book folding machines. In 1992, he left the company and joined Central Label (Johor) Sdn Bhd, a label printing company as a production supervisor. In 1993, he joined Multi Labels & Stickers Sdn Bhd, as a production technician and left in the same year. Between 1993 and 1995, he worked as freelance technician servicing various printing companies.

In 1995, he established Toyo Sho with Chaw Kam Shiang. In 2006, he exited as shareholder of Toyo Sho but remained as its Director.

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

Ang Yam Fung, a Malaysian, aged 49, is our Group's Chief Human Resource Officer. She is responsible for handling the human resource functions of our Group.

She obtained her Diploma in Computer Science offered by National Computing Centre Education (UK) from Systematic Computer Centre Sdn Bhd, Kuala Lumpur, in 1990. She completed her Manufacturing Management Assistant Programme from The SANNO Institute of Management, Japan, in 1993.

In 1990, she began her career as a planner with Sharp-Roxy Electronics Corporation (M) Sdn Bhd. She was involved in production planning where she worked closely with the production team to coordinate the raw materials required and the production schedules. In 1994, she left the company to join Aiwa Electronics (M) Sdn Bhd, a company involved in the manufacturing of audio and video products as a procurement officer. She was in charge of liaising with suppliers to procure materials for the company's operations.

In 1995, she left Aiwa Electronics (Malaysia) Sdn Bhd to join Toyo Sho as human resource manager, responsible for the recruitment and management of employees in the company. In 1996, she became the shareholder of Toyo Sho. In 2012, she was appointed as the Director of Toyo Sho.

Ang Yam Fung is the spouse of Chaw Kam Shiang.

Phoa Hwee Siah, a Malaysian, aged 42, is the Planning and Marketing Manager of Intag Industrial. She assists Lau Cher Liang in the day-to-day operations of Intag Industrial.

She qualified for her Chartered Institute of Marketing professional certificate from Systematic College (currently known as SEGi University & Colleges), Selangor, in 1998.

She began her career in 1999 as a material, costing and finance officer for JVCKenwood Electronics Malaysia Sdn Bhd, Johor Bahru, a company that involved in the procurement, manufacturing and sales of home and car audio parts and product and communication products. During her stint there, she was responsible for maintaining the company's cost accounting system and conducting inventory counts. She left the company in 2005 to join Intag Industrial as marketing executive, where she was in charge of the overall sales and marketing activities including developing sales strategies to achieve the company's sales objectives. She was promoted to her current position in 2018.

Tan Chyi Ing, a Malaysian, aged 35, is the Planning and Supply Chain Manager of Toyo Sho. She assists Choo Jack Kie in the day-to-day operations of Toyo Sho.

She completed her Sijil Pelajaran Malaysian from Sekolah Menengah Kebangsaan Yong Peng, Johor in 2002. Subsequently, she obtained a UBSJ certificate for UBS Computerised Accounting from UBS Software (Johor) Sdn Bhd in 2005.

She joined Conforer Global Sdn Bhd, Kuala Lumpur, a multi-level marketing company that supplies healthcare products, as its direct seller in 2003. In 2004, she joined Landdoco Enterprise, a partnership which is involved in dealing of livestock fertilizer and chemical products, feed for animals and livestock as well as transport agency as purchasing officer where she was involved in matters pertaining to procurement and warehousing management. In 2006, she left Landdoco Enterprise to join Toyo Sho as a general clerk. She was promoted to her current position in 2018.

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

Lau Soo Ling, a Malaysian, aged 36, is the Planning and Supply Chain Manager of Intag Steel. She assists Goh Jui Heng in the day-to-day operations of Intag Steel.

She completed her Sijil Pelajaran Malaysian from Sekolah Menengah Kebangsaan Dato Seth, Yong Peng, Johor, in 2000. She took several classes in Executive Secretaryship in 2001 to 2003.

She started her career with Chong Seng Wooden Case Factory Pte Ltd in 2003, a Singapore based company involved in the manufacture of wooden containers and building construction, as a sales coordinator, where she was in charge of coordinating shipping arrangement and managing export related documentation. In 2004, she left the company to join Mirade Container Lines Pte Ltd, a Singapore based logistics service provider as a shipping assistant, where she was responsible for coordinating shipment arrangement, managing import and export related documentation, and custom clearance related tasks. In 2005, she left to join LG Label Industries (M) Sdn Bhd, a company involved in the trading of printers and printing of stickers and labels, as an accounts assistant, where she was responsible for maintaining records of invoices, payments and purchase orders. In 2006, she left the company to join Mont Vise Holdings Sdn Bhd, a company involved in the trading of cotton products, as a secretary to the general manager, assisting the general manager in the company's day-to-day operations. She left the company in 2008 and joined Intag Steel as a sales coordinator where she was in charge of inventory and suppliers management. She was promoted to her current position in 2018.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.3.4 Principal business performed outside our group**

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at LPD:

(i) Choo Jack Kie

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Past involvement Wonder Lab Herbal Hair Solution	Hair saloon	Partner	11 June 2017	15 October 2017	Not applicable	Not applicable

(ii) Ang Yam Fung

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at LPD	
					Direct	Indirect
Present involvement Brightwater Sunrise Sdn Bhd	Property investment	Director and shareholder	20 January 2016	-	30.0	(¹)70.0
Sam-Q Technology Sdn Bhd	Computer related sales and services	Director and shareholder	26 March 2012	-	40.0	(¹)60.0
Harmony Networks Sdn Bhd	Property investment	Director and shareholder	20 January 2016	-	0.01	(¹)99.99
Ang Ah Hua & Sons Sdn Bhd	Hotel operator and property investment	Shareholder	-	-	<0.1	-
Sinergi Mega Ratusan Sdn Bhd	Dormant with no intended principal activities	Director and shareholder	27 September 2018	-	50.0	(¹)50.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at	
					Direct	Indirect
Past involvement Loyal Concord Sdn Bhd	The company was struck off on 17 May 2017	Director and shareholder (ceased when the company was struck off)	9 March 2012	-	50.0	(¹)50.0
Super Gold Industrial Sdn Bhd	Trading in sealant and packaging products	Director and shareholder (ceased as a shareholder on 8 May 2018)	10 July 2015	16 April 2018	40.0	(¹)60.0

Note:

(¹) Deemed interest by virtue of her spouse's interest pursuant to Section 8 of the Act

(iii) Phoa Hwee Siah

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held as at	
					Direct	Indirect
Present involvement Kempas Samudera Corporation Sdn Bhd	Dormant with no intended principal activities	Director	24 July 2007	-	-	-

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Their involvement in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

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

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including, salaries, bonuses, commissions, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

Details of the remuneration and benefits paid and proposed to be paid to Chaw Kam Shiang, Lau Cher Liang and Goh Jui Heng are set out in Section 5.2.4. The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our other key senior management for services rendered in all capacities to our Group for FYE 2018 and 2019 are as follows:

	(in bands of RM50,000)		
	⁽¹⁾ Remuneration	Benefits-in-kind	Total
	RM'000		
FYE 2018			
Liew Fei Shane	0 - 50	-	0 - 50
Choo Jack Kie	100 - 150	-	100 - 150
Ang Yam Fung	400 - 450	-	400 - 450
Phoa Hwee Siah	100 - 150	-	100 - 150
Tan Chyi Ing	100 - 150	-	100 - 150
Lau Soo Ling	50 - 100	-	50 - 100
Proposed for FYE 2019			
Liew Fei Shane	150 - 200	-	150 - 200
Choo Jack Kie	100 - 150	-	100 - 150
Ang Yam Fung	200 - 300	-	200 - 300
Phoa Hwee Siah	200 - 300	-	200 - 300
Tan Chyi Ing	50 - 100	-	50 - 100
Lau Soo Ling	50 - 100	-	50 - 100

Note:

- (1) The remuneration for key senior management includes salaries, bonuses, allowances, commissions and other emoluments. The bonuses for FYE 2019 for Chief Financial Officer and Chief Human Resource Officer will be subject to recommendation of our Remuneration Committee and approval by our Board

5.4 BOARD PRACTICE

5.4.1 Board

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

- (i) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that the businesses are being properly managed;
- (ii) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

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

- (iii) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;
- (iv) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code of Corporate Governance;
- (v) To review and approve the annual business plans, financial statements and annual reports;
- (vi) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
- (vii) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

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

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at LPD
Lee Ting Kiat	19 October 2018	At our third annual general meeting to be held in 2020	Less than 1 year
Chaw Kam Shiang	2 January 2018	At our second annual general meeting to be held in 2019	Less than 2 years
Goh Jui Heng	2 January 2018	At our second annual general meeting to be held in 2019	Less than 2 years
Lau Cher Liang	2 January 2018	At our third annual general meeting to be held in 2020	Less than 2 years
Jason Tan Kim Song	19 October 2018	At our fourth annual general meeting to be held in 2021	Less than 1 year
Dyana Sofya Binti Mohd Daud	19 October 2018	At our fourth annual general meeting to be held in 2021	Less than 1 year

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

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The members of our Board are set out in Section 5.2.

5.4.2 Audit committee

The main function of our Audit Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial reporting matters. The terms of reference of our Audit Committee include the following:

- (i) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (ii) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group; and
- (iv) To perform such other functions as may be requested by our Board.

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

The members of our Audit Committee as at LPD are as follows:

Name	Designation	Directorship
Jason Tan Kim Song	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

Our Board will review the composition, performance and effectiveness of our Audit Committee annually.

5.4.3 Remuneration committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The terms of reference of our Remuneration Committee include the following:

- (i) To provide assistance to our Board in establishing the policy and framework for our Directors' remuneration and the remuneration of certain senior management personnel, including the setting of their key performance indicators;

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

- (ii) To ensure that our Group's remuneration and incentive policies, practices and key performance indicators are appropriately established and are aligned with our Group's vision, values and business objectives and market trends;
- (iii) To provide assistance to our Board on matters relating to, amongst others, management grievances, compensation strategy, management development and other compensation arrangements;
- (iv) To ensure corporate accountability and governance in respect of our Board remuneration and compensation; and
- (v) To perform such other functions as may be requested by our Board.

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

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

Name	Designation	Directorship
Lee Ting Kiat	Chairman	Independent Non-Executive Chairman
Jason Tan Kim Song	Member	Independent Non-Executive Director
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director

5.4.4 Nominating committee

The terms of reference of our Nominating Committee include the following:

- (i) To assist our Board in the effective discharge of its responsibility and to ensure that our Board is of an effective composition, size and commitment;
- (ii) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships and members of our Board committees;
- (iii) To evaluate the effectiveness of our Board and our Board committees;
- (iv) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same from our Director and thereafter, to inform the Audit Committee of the same. After deliberation with the Audit Committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest; and
- (v) To ensure an appropriate framework and succession planning for our Board, including our Managing Director and Executive Directors.

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

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

Name	Designation	Directorship
Dyana Sofya Binti Mohd Daud	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Jason Tan Kim Song	Member	Independent Non-Executive Director

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

5.4.5 Risk management committee

Our Board has the overall responsibility for risk oversight and risk management within our Group. However, as a committee of our Board, our Risk Management Committee shall lead our strategic direction in the management of our business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The objectives of the framework are to ensure the provision of quality product and services and monitor the risk culture and processes throughout our Group to take advantage of opportunities while managing risks that may adversely affect our reputation and achievement of business objectives.

The duties and responsibilities as stated in the terms of reference of our Risk Management Committee include the following:

- (i) To oversee and recommend the risk management policies and procedures;
- (ii) To review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which addresses our strategic, operational, financial and compliance risks;
- (iii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our business risks;
- (iv) To set reporting guidelines for management to report to the Risk Management Committee on the effectiveness of our management of business risks;
- (v) To review the risk profile of our Group and to evaluate the measures taken to mitigate our business risks; and
- (vi) To review the adequacy of management response to issues identified in risk registers, ensuring that our risks are managed within our Group's risk appetite.

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

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

Name	Designation	Directorship
Jason Tan Kim Song	Chairman	Independent Non-Executive Director
Lee Ting Kiat	Member	Independent Non-Executive Chairman
Dyana Sofya Binti Mohd Daud	Member	Independent Non-Executive Director
Chaw Kam Shiang	Member	Managing Director

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

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Chaw Kam Shiang, our Managing Director, Promoter and substantial shareholder is the husband of Ang Yam Fung, our Promoter, substantial shareholder and key senior management. Save as disclosed above, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

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

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (i) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (ii) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) Being the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) Has any unsatisfied judgment against him.

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON MTAG

Our Company was incorporated in Malaysia under the Act on 2 January 2018 as a private limited company under the name MTAG Group Sdn Bhd. We converted into a public limited company on 23 October 2018 and assumed our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM76,341,152 comprising 545,293,900 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital
			RM
2 January 2018	1	RM1/ Subscriber's share	1
16 October 2018	1	RM1/Cash	2
28 June 2019	545,293,898	RM76,341,150/Consideration for the Acquisitions	76,341,152

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will be increased to RM148,592,607 comprising 681,617,400 Shares.

6.2 DETAILS OF OUR ACQUISITIONS

On 24 October 2018, we entered into the following agreements to facilitate the acquisitions of the entire equity interests of Toyo Sho, Intag Industrial and Intag Steel:

- (i) Conditional share sale agreement with Toyo Sho Vendors to acquire the entire equity interest in Toyo Sho comprising 565,945 ordinary shares for a total purchase consideration of RM22,154,500. The purchase consideration for the Acquisition of Toyo Sho was satisfied by the issuance of 158,246,398 new Shares to Toyo Sho Vendors at an issue price of RM0.14 each;
- (ii) Conditional share sale agreement with Intag Industrial Vendors to acquire the entire equity interest in Intag Industrial comprising 500,000 ordinary shares for a total purchase consideration of RM49,083,370. The purchase consideration for the Acquisition of Intag Industrial was satisfied by the issuance of 350,595,500 new Shares to Intag Industrial Vendors at an issue price of RM0.14 each; and
- (iii) Conditional share sale agreement with Intag Steel Vendors to acquire the entire equity interest in Intag Steel comprising 1,500,000 ordinary shares for a total purchase consideration of RM5,103,280. The purchase consideration for the Acquisition of Intag Steel was satisfied by the issuance of 36,452,000 new Shares to Intag Steel Vendors at an issue price of RM0.14 each.

6. INFORMATION ON OUR GROUP (Cont'd)

Details of the Toyo Sho Vendors, Intag Industrial Vendors and Intag Steel Vendors and the number of Shares issued to them under the Acquisitions are as follows:

Toyo Sho Vendors	Shareholdings in Toyo Sho		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM	
Chaw Kam Shiang	396,161	70.0	15,508,130	110,772,338
Ang Yam Fung	169,784	30.0	6,646,370	47,474,060
	565,945	100.0	22,154,500	158,246,398

Intag Industrial Vendors	Shareholdings in Intag Industrial		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM	
Chaw Kam Shiang	300,000	60.0	29,450,022	210,357,300
Lau Cher Liang	200,000	40.0	19,633,348	140,238,200
	500,000	100.0	49,083,370	350,595,500

Intag Steel Vendors	Shareholdings in Intag Steel		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM	
Chaw Kam Shiang	947,369	63.2	3,223,126	23,022,330
Lau Cher Liang	315,789	21.0	1,074,373	7,674,094
Goh Jui Heng	236,842	15.8	805,781	5,755,576
	1,500,000	100.0	5,103,280	36,452,000

The purchase consideration for the Acquisition of Toyo Sho, Acquisition of Intag Industrial and Acquisition of Intag Steel were arrived based on a willing-buyer willing-seller basis after taking into consideration the audited NA of Toyo Sho, Intag Industrial and Intag Steel as at 30 June 2018 of RM22,154,536, RM49,083,370 and RM5,103,284 respectively.

In FPE 2019, Toyo Sho, Intag Industrial and Intag Steel declared and paid dividends amounting to RM1.0 million, RM8.3 million and RM0.2 million respectively. The NA of Toyo Sho, Intag Industrial and Intag Steel after declaration and payment of dividends is not less than the audited NA as at 30 June 2018 in compliance with the conditional share sale agreements dated 24 October 2018.

The Acquisitions were completed on 28 June 2019. Thereafter, Toyo Sho, Intag Industrial and Intag Steel became our wholly owned subsidiaries.

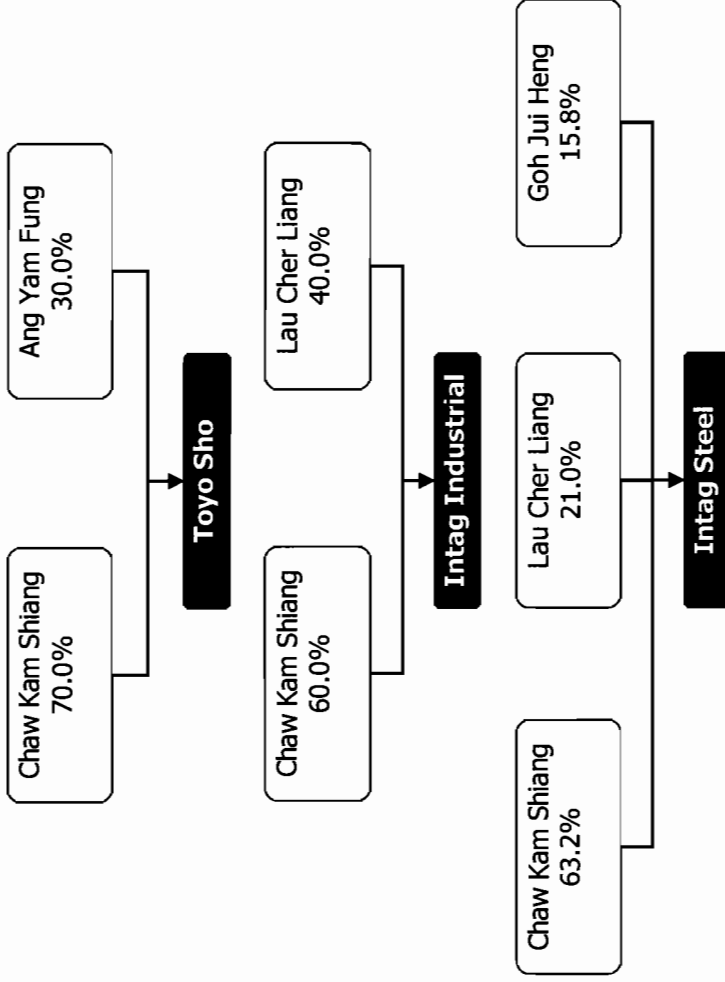
The new Shares issued under the Acquisitions rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of allotment of the new Shares.

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6. INFORMATION ON OUR GROUP (Cont'd)

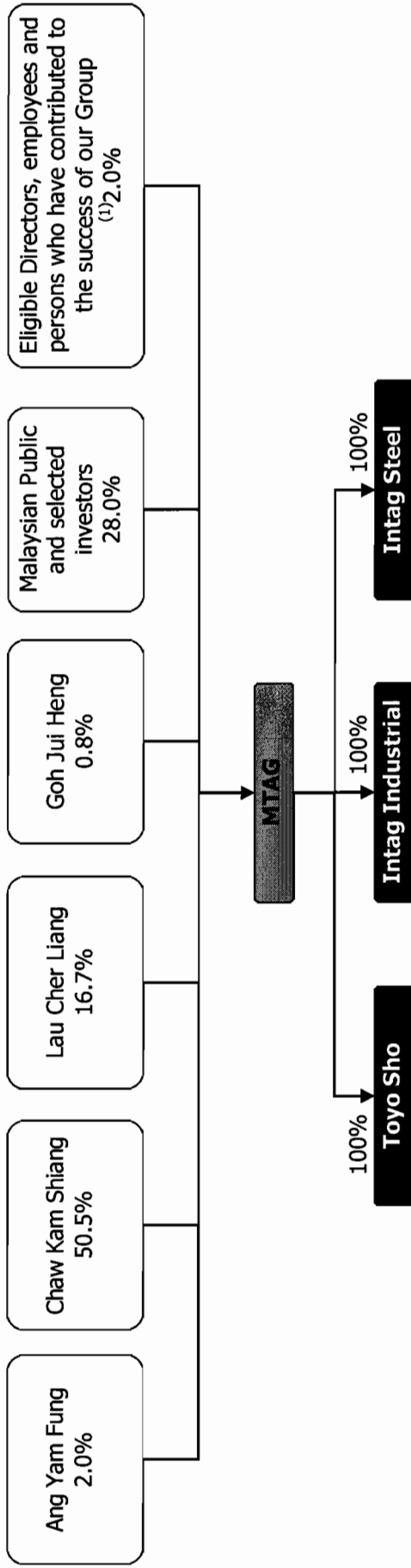
Our Group structure before and after the Acquisitions, Public Issue and Offer for Sale is as follows:

Before the Acquisitions, Public Issue and Offer for Sale



6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisitions, Public Issue and Offer for Sale



Note:

(1) Assuming that all our eligible Directors, employees and persons who have contributed to the success of our Group will subscribe for the Pink Form Allocations

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at LPD, we do not have any associated companies. Details of our subsidiaries are summarised as follows:

Company	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest		Principal activities
				RM	%	
Toyo Sho	3 January 1995/ Malaysia	Malaysia	565,945	100	100	Printing of label and stickers and die-cutting services
Intag Industrial	22 June 2001/ Malaysia	Malaysia	500,000	100	100	Converting and distribution of industrial tapes, adhesives and other products
Intag Steel	7 September 2005/ Malaysia	Malaysia	1,500,000	100	100	Converting and distribution of metal products

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

6.4 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 FYE 2016 to 2018, FPE 2019 and up to LPD:

- (i) Memorandum of contract dated 29 September 2015 entered into between Hong Leong Islamic Bank Berhad, the auctioning bank and E W Plastic Sdn Bhd whereby Toyo Sho was proclaimed the purchaser of the freehold property known as No. 16, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor in a public auction for a total cash consideration of RM6.2 million. This transaction was completed on 22 January 2016;
- (ii) Lease transfer agreement dated 21 June 2017 entered into between Toyo Sho with Delisauce World Foods Sdn Bhd whereby Toyo Sho agreed to dispose the leasehold property known as PLO 105, Jalan Cyber 5, Kawasan Perindustrian Senai III, 81400 Senai, Johor for a total cash consideration of RM8.5 million. This transaction was completed on 19 May 2018;
- (iii) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Brightwater Sunrise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 2, Jalan Dewani 4, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM2.4 million. This transaction was completed on 28 May 2018;
- (iv) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Brightwater Sunrise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 8, Jalan Dewani 4, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM3.0 million. This transaction was completed on 28 May 2018;
- (v) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Harmony Networks Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 15 & 15-01, Jalan Dewani 4, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM1.6 million. This transaction was completed on 6 May 2018;
- (vi) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Harmony Networks Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 17 & 17-01, Jalan Dewani 4, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM1.6 million. This transaction was completed on 25 June 2018;
- (vii) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Harmony Networks Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 19 & 19-01, Jalan Dewani 4, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM1.6 million. This transaction was completed on 25 June 2018;
- (viii) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Brightwater Sunrise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 17H & 17H-1, Jalan Dewani, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM0.5 million. This transaction was completed on 28 May 2018;

6. INFORMATION ON OUR GROUP (Cont'd)

- (ix) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Brightwater Sunrise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 17J & 17J-1, Jalan Dewani, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor for a total cash consideration of RM0.8 million. This transaction was completed on 28 May 2018;
- (x) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Harmony Networks Sdn Bhd whereby Toyo Sho agreed to dispose the freehold properties known as Lot 1191, Jalan Kangkar Tebrau, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor and Lot 1197, Jalan Tun Teja 1, Kampung Kangkar Tebrau Bahru, 81100 Johor Bahru, Johor for a total cash consideration of RM4.5 million. This transaction was completed on 14 May 2018;
- (xi) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Trillion Paradise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as #05-01, Pangsapuri Senai 1, Jalan Senai Jaya 6, Taman Senai Jaya, 81400 Senai, Johor for a total cash consideration of RM0.4 million. This transaction was completed on 26 April 2018;
- (xii) Sale and purchase agreement dated 27 November 2017 entered into between Toyo Sho with Brightwater Sunrise Sdn Bhd whereby Toyo Sho agreed to dispose the freehold property known as No. 16, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor for a total cash consideration of RM10.0 million (*please refer to item (i) above*). This transaction was completed on 28 May 2018;
- (xiii) Sale and purchase agreement dated 1 April 2018 entered into between Intag Steel with PA Properties Sdn Bhd whereby Intag Steel agreed to dispose the freehold property known as Geran 144972, Lot 63829, Mukim of Plentong, Johor Bahru, Johor for a total cash consideration of RM2.2 million. This transaction was completed on 28 June 2018;
- (xiv) Share sale agreement dated 24 October 2018 entered into between our Company and Toyo Sho Vendors for the Acquisition of Toyo Sho, which was completed on 28 June 2019;
- (xv) Share sale agreement dated 24 October 2018 entered into between our Company and Intag Industrial Vendors for the Acquisition of Intag Industrial, which was completed on 28 June 2019;
- (xvi) Share sale agreement dated 24 October 2018 entered into between our Company and Intag Steel Vendors for the Acquisition of Intag Steel, which was completed on 28 June 2019; and
- (xvii) Underwriting agreement dated 12 July 2019 entered into between our Company and M&A Securities for the underwriting of 48,087,700 Issue Shares for an underwriting commission of 2.0% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.5 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

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

6. INFORMATION ON OUR GROUP (Cont'd)**6.6 MAJOR APPROVALS AND LICENCES**

As at LPD, there are no other major approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below.

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(i)	Toyo Sho	MITI/ A 021555	Issued on 10 January 2019 and commencing from 31 October 2018/ Not applicable	Manufacturing licence	<p>(a) Notification shall be made to MITI and MIDA of any change in the shareholding of the company.</p> <p>(b) The company shall adhere to the capital investment per employee (CIPE) of at least RM140,000 by the year 2020.</p> <p>(c) The full time employees of the company shall consist of at least 80% Malaysians by the year 2020. The employments of foreign employees including that of outsourced workers are subject to the prevailing policies, laws and regulations.</p> <p>(d) The company is required to disclose information relating to the status of investment and projects under the Industrial Co-Ordination Act, 1975 and the Malaysian Investment Development Authority (Incorporation) Act, 1965 when required by MIDA.</p> <p>(e) The company shall carry out its projects as approved and in accordance with the prevailing laws and regulations of Malaysia.</p>	Complied, except for item (c) ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(ii)	Toyo Sho	Royal Malaysian Customs Department/ J10-GPB-0382/2018	1 January 2019/ 31 December 2019	Warehousing and manufacturing licence/ Licence for warehousing and/or undertaking any manufacturing process that involves goods which are liable to customs duty at PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100, Johor Bahru	<p>(a) The licence and LMW plan approved by the State Director of Customs shall be displayed at a prominent place on the premise.</p> <p>(b) No taxable goods other than raw materials / components and machinery used directly in manufacturing, and manufactured goods which have been approved by the State Director of Customs may be stored in the LMW.</p> <p>(c) Changes to the structure of buildings and equipment in the licensed premises are not permitted except with the written approval of the State Director of Customs.</p> <p>(d) Toyo Sho shall submit to the Industry Branch Customs Office a monthly statement with prescribed particulars in Bahasa Malaysia by the 28th day of the following month.</p> <p>(e) Toyo Sho shall submit annual statement containing details of raw materials / components used, finished goods produced, released and balance stock for the period 1 January to 31 December of each year and annual financial statements of the company which has been audited by an independent auditor.</p> <p>(f) Goods stored in LMW should be arranged and labelled in such to ensure security as directed and for Customs inspection.</p> <p>(g) Finished goods manufactured in LMW are to be kept separate from raw materials / components or manufacturing waste.</p> <p>(h) At least 80% finished products (by value) are to be exported, and not exceeding 20% of the finished products can be sold in the local market as approved. Goods sold in domestic market are subject to any prevailing duties / taxes at the time.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(iii)	Intag Industrial	MITI/ A 021566	Issued on 14 January 2019 and commencing from 22 October 2018/ Not applicable	Manufacturing licence	<p>(i) Disposal of waste including manufacturing waste is subject to the written approval of the State Director of Customs.</p> <p>(j) Bank guarantee amounting RM160,000 is required from Toyo Sho to ensure the safety of duties / taxes on raw materials / components, finished goods stored in LMW and the transfer of dutiable goods.</p> <p>(k) Toyo Sho shall notify the proper officer of customs in writing within 14 days if:</p> <p>(i) There is a change in the board of directors of the company;</p> <p>(ii) The company has been wound up;</p> <p>(iii) An order to wind up the company has been made;</p> <p>(iv) Appointment of receiver or liquidator has been made;</p> <p>(v) The company is subject to civil claims, bankruptcy, closure and other similar matters.</p> <p>(l) Only one entity is allowed to operate within the premises of LMW. Any partnership with other entity within the same area is not allowed.</p>	Complied
(a)					Notification shall be made to MITI and MIDA of any change in the shareholding of the company.	
(b)					The company shall adhere to the capital investment per employee (CIPE) of at least RM140,000.	
(c)					The full time employees of the company shall consist of at least 80% Malaysians at all times. The employments of foreign employees including that of outsourced workers are subject to the prevailing policies, laws and regulations.	
(d)					The company is required to disclose information relating to the status of investment and projects under the Industrial Co-Ordination Act, 1975 and the Malaysian Investment	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(iv)	Intag Industrial	Royal Malaysian Customs Department/ J10-GPB-0214/2018	1 September 2018/ 31 August 2020	Warehousing and manufacturing licence/ Licence for warehousing and/or undertaking any manufacturing process that involves goods which are liable to customs duty at PLO 226-01, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100, Johor Bahru	<p>Development Authority (Incorporation) Act, 1965 when required by MIDA.</p> <p>(e) The company shall carry out its projects as approved and in accordance with the prevailing laws and regulations of Malaysia.</p> <p>(a) The licence and LMW plan approved by the State Director of Customs shall be displayed at a prominent place on the premise.</p> <p>(b) No taxable goods other than raw materials / components and machinery used directly in manufacturing, and manufactured goods which have been approved by the State Director of Customs may be stored in the LMW.</p> <p>(c) Changes to the structure of buildings and equipment in the licensed premises are not permitted except with the written approval of the State Director of Customs.</p> <p>(d) Intag Industrial shall submit to the Industry Branch Customs Office a monthly statement with prescribed particulars in Bahasa Malaysia by the 28th day of the following month.</p> <p>(e) Intag Industrial shall submit annual statement containing details of raw materials / components used, finished goods produced, released and balance stock for the period 1 January to 31 December of each year and annual financial statements of the company which has been audited by an independent auditor.</p> <p>(f) Goods stored in LMW should be arranged and labelled in such to ensure security as directed and for Customs inspection.</p> <p>(g) Finished goods manufactured in LMW are to be kept</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>separate from raw materials / components or manufacturing waste.</p> <p>(h) At least 80% finished products (by value) are to be exported, and not exceeding 20% of the finished products can be sold in the local market as approved. Goods sold in domestic market are subject to any prevailing duties / taxes at the time.</p> <p>(i) Disposal of waste including manufacturing waste is subject to the written approval of the State Director of Customs.</p> <p>(j) Bank guarantee amounting RM400,000 is required from Intag Industrial to ensure the safety of duties / taxes on raw materials / components, finished goods stored in LMW and the transfer of dutiable goods.</p> <p>(k) Intag Industrial shall notify the proper officer of customs in writing within 14 days if:</p> <p>(i) There is a change in the board of directors of the company;</p> <p>(ii) The company has been wound up;</p> <p>(iii) An order to wind up the company has been made;</p> <p>(iv) Appointment of receiver or liquidator has been made;</p> <p>(v) The company is subject to civil claims, bankruptcy, closure and other similar matters.</p> <p>(l) Only one entity is allowed to operate within the premises of LMW. Any partnership with other entity within the same area is not allowed.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority/ Licence no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(v)	Intag Steel	MITI/ A 021576	Issued on 18 January 2019 and commencing from 2 November 2018/ Not applicable	Manufacturing licence	<p>(a) Notification shall be made to MITI and MIDA of any change in the shareholding of the company.</p> <p>(b) The company shall adhere to the capital investment per employee (CIPE) of at least RM140,000 by the year 2020.</p> <p>(c) The full time employees of the company shall consist of at least 80% Malaysians by the year 2020. The employments of foreign employees including that of outsourced workers are subject to the prevailing policies, laws and regulations.</p> <p>(d) The company is required to disclose information relating to the status of investment and projects under the Industrial Co-Ordination Act, 1975 and the Malaysian Investment Development Authority (Incorporation) Act, 1965 when required by MIDA.</p> <p>(e) The company shall carry out its projects as approved and in accordance with the prevailing laws and regulations of Malaysia.</p>	Complied, except for item (c) ⁽²⁾

Notes:

⁽¹⁾ As at LPD, Toyo Sho employs 73 foreign workers representing 55.8% of its total 131 full time employees. As such, Toyo Sho does not meet the condition that its full time employees must consist of at least 80% Malaysian citizens.

However, Toyo Sho has up to year 2020 to satisfy the condition. The company will endeavour to meet this condition by employing more local employees. The steps proposed to be taken includes advertising recruitment notice in local newspapers and engaging recruitment agency to assist in attracting more local employees to join Toyo Sho. If the company is still unable to meet the condition having taken the necessary steps, it will first seek for further extension of time to meet the condition; and if the extension of time is not granted, outsource the recruitment of its foreign workers to companies providing foreign workers' labour. The outsourcing arrangement (provided that the foreign workers recruited are not employed on a full time basis) will have the effect of reducing the percentage of foreign employees under its employment.

6. INFORMATION ON OUR GROUP (Cont'd)

(2) As at LPD, Intag Steel employs 13 foreign workers representing 39.4% of its total 33 full time employees. As such, Intag Steel does not meet the condition that its full time employees must consist of at least 80% Malaysian citizens.

However, Intag Steel has up to year 2020 to satisfy the condition. The company will endeavour to meet this condition by employing more local employees. The steps proposed to be taken includes advertising recruitment notice in local newspapers and engaging recruitment agency to assist in attracting more local employees to join Intag Steel. If the company is still unable to meet the condition having taken the necessary steps, it will first seek for further extension of time to meet the condition; and if the extension of time is not granted, outsource the recruitment of its foreign workers to companies providing foreign workers' labour. The outsourcing arrangement (provided that the foreign workers recruited are not employed on a full time basis) will have the effect of reducing the percentage of foreign employees under its employment.

6.7 TRADEMARKS

Our Group has applied for a number of our trademarks to be registered with the Intellectual Property Corporation of Malaysia.

Trade mark	Description	Application No.	Class	Class	Status
MTAG	"MTAG" logo	2018006672	Class 35: Advertising; business administration; office functions.	business management; business	Gazetted
TOYOSHO	"TOYOSHO" logo	2018006671	Class 35: Advertising; business administration; office functions.	business management; business	Gazetted
Sintto	"SINTTO" logo	2018006670	Class 17: Electrical tapes, adhesive sealants, unprocessed gums.		Gazetted
INTAG	"INTAG" logo	2018012525	Class 35: Advertising; business administration; office functions.	business management; business	Application filed on 8 October 2018

6. INFORMATION ON OUR GROUP (Cont'd)**6.8 PROPERTIES, PLANT AND EQUIPMENT****6.8.1 Property owned by our Group**

The details of material land and building owned by our Group as at LPD are set out below:

No.	Postal address	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area/ Built-up area sq ft	Date of issuance of certificate of completion and compliance	Encumbrances	Audited NBV as at 31 March 2019 RM'000
(i)	PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100, Johor Bahru, Johor	A single storey detached factory with a 2-storey office annexed / Used for our head office, warehouse and manufacturing activities/ Industrial land	Leasehold of 60 years expiring on 31 May 2069 or 51 remaining years as at LPD	107,636.8/ 83,500.0	30 June 2012	Charged Public Berhad to Bank	17,733

One of the express conditions set out in the land title of the abovementioned land states that the land shall be used only for the business purposes of "metal stamping, plastic injection, moulding and E&E products and other uses related to it". Based on our audited financial statements for FYE 2016, 2017, 2018 and FPE 2019 approximately 96% of the products and services provided by us on the abovementioned land relate to such business purposes. Nevertheless, we have, on 11 October 2018, applied to the land office of Johor for the inclusion of additional activities which are:

- (i) metal engineering including to supply, process and produce metal products; and
- (ii) to produce, print, cut and supply stickers, labels, adhesive tapes, adhesives, mesh filter,

in the express conditions of such land title to enable us to expand into areas not specifically covered in the express conditions and/or to fill up any idle or down time for our machineries from time to time. We expect to obtain the approval from the land office in the third quarter of 2019 and the expected costs to be incurred is approximately RM10,000.

Save for the above, none of the property owned by our Group is in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws.

6. INFORMATION ON OUR GROUP (Cont'd)**6.8.2 Property rented by our Group**

The details of material property rented by us as at LPD are set out below:

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Built-up area sq ft	Date of issuance of certificate of completion and compliance	Period of tenancy/ Rental per month
(i)	No. 3, PLO 78, Jalan Keluli, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Bahru, Johor	Agility Logistics Sdn Bhd / Intag Industrial	A single storey warehouse with a total built-up area of approximately 50,000 sq ft / Bonded warehouse	A minimum of 1,000 sq ft (subject to Intag Industrial's requirement as may be varied from time to time)	14 November 1995	1 June 2018 until termination by either party / RM2 per utilised sq ft subject to minimum of RM2,000 per month

In addition to the above, our Group has also rented some properties to accommodate our foreign workers.

None of the property rented by our Group is in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.8.3 Acquisitions of properties**

Save as disclosed below, we have not entered into any sale and purchase agreements to acquire any properties during FYE 2016 to 2018, FPE 2019 and up to LPD:

No.	Date of purchase	Postal address	Description of property/ Existing use/ Tenure/ Category of land use	Land area/ Built-up area sq ft	Date of issuance of certificate of completion and compliance	Purchase value RM'000
(i)	29 September 2015	No. 16, Jalan Istimewa 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Single storey detached factory with 3 storey office annexe/ Disposed on 28 May 2018/ Freehold/ Building	86,488/ 56,552	12 January 2001	6,170

We have entered into the sale and purchase agreement on 27 November 2017 to dispose the above property and the disposal was completed on 28 May 2018. Please refer to Section 6.4(xii) for further details.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.8.4 Regulatory requirements and environmental issues**

Our operations are subject to the validity of the manufacturing licences issued by MIDA and warehousing and manufacturing licences issued by Royal Malaysian Customs Department, which are detailed in Section 6.6. Save as disclosed in Section 6.6, there are no regulatory requirements and/or environmental issues which may materially affect our Group's operations arising from the utilisation of our assets.

6.8.5 Material capital expenditures and divestitures

Save for the expenditures disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for FYE 2016 to 2018, FPE 2019 and up to LPD:

Material capital expenditures	At cost				
	FYE 2016	FYE 2017	FYE 2018	FPE 2019	1 April 2019 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
Equipment, furniture and fittings	46	45	417	53	24
Plant and machineries	490	3,453	1,151	775	171
Renovation and electrical installation	19	3,953	203	-	-
Forklift and motor vehicles	928	339	745	233	-
	1,483	7,790	2,516	1,061	195
Investment properties comprising:					
Freehold land	3,000	-	-	-	-
Buildings	3,170	-	-	-	-
	6,170	-	-	-	-

The above material capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Please refer to Section 12.2 for further commentary on the material capital expenditures.

Save for the disposals disclosed below, there were no other material capital divestitures (including interests in other corporations) made by us for FYE 2016 to 2018, FPE 2019 and up to LPD:

Material capital divestitures	At cost				
	FYE 2016	FYE 2017	FYE 2018	FPE 2019	1 April 2019 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
Equipment, furniture and fittings	-	-	2	3	-
Plant and machineries	-	212	440	-	-
Forklift and motor vehicles	-	334	449	87	39
	-	546	891	90	39

6. INFORMATION ON OUR GROUP (Cont'd)

Material capital divestitures	At cost				1 April 2019 up to LPD
	FYE 2016	FYE 2017	FYE 2018	FPE 2019	
	RM'000	RM'000	RM'000	RM'000	
Investment properties comprising:					
Freehold land	-	-	7,764	-	-
Leasehold land	-	1,700	-	-	-
Buildings	-	4,752	11,797	-	-
	-	6,452	19,561	-	-

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated and no longer in use or obsolete or surpassed their useful lives.

The disposal of investment properties relates to properties which are not utilised for our business activities.

Save for our planned capital expenditures for our expansion plans as set out in Section 7.18, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia up to LPD.

6.8.6 Material plans to construct, expand or improve our facilities

Save for proceeds of our Public Issue to be used for land acquisition and construction of a new manufacturing plant and acquisition of new machineries as disclosed in Section 4.9, our Group has no immediate plans to construct, expand or improve our facilities as at LPD.

6.9 EMPLOYEES

The breakdown of our employees as at 31 March 2019 and LPD are as follows:

Department	Total no. of employees	
	FPE 2019	LPD
Directors and key senior management	9	9
Sales and marketing	10	10
Resource planning and procurement	19	18
Finance and administration	17	17
Quality assurance, inspection and packaging	22	23
Storage	9	8
Technical production	75	79
Non-technical production	12	12
Logistics	7	6
	180	182
Nationality		
Local	99	96
Foreign	81	86
	180	182

6. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, we employ 86 foreign workers for our manufacturing activities. Our foreign workers which are under contractual employment have been with us for tenures between 3 to 11 years. All our foreign workers hold valid working permits and are not in breach of any immigration laws in Malaysia.

None of our employees belongs to any labour union and as at LPD, and there has not been any past material dispute between our management and our employees. There were no significant changes in the number of employees of our Group for FPE 2019 and up to LPD.

7. BUSINESS OVERVIEW

7.1 OUR HISTORY

We are a converter company providing printing of labels and stickers and customised converting services for various materials. In addition, we distribute industrial tape and adhesive products under 3M and Henkel brands.

We were established in 1995, when the Malaysian Government allocated industrial lands in Johor to attract foreign investments into the Indonesia-Malaysia-Singapore Growth Triangle region. This move saw many MNC from USA, Japan and Singapore relocating their manufacturing facilities to Johor due to its strategic location.

The history of our subsidiaries is as follows:

Toyo Sho

Our Managing Director, Chaw Kam Shiang and our Business Unit Head of Toyo Sho, Choo Jack Kie, were previously colleagues in Multi Labels & Stickers Sdn Bhd. They both witnessed the increased number of orders for labels and stickers required by E&E manufacturers in Johor. Together, they decided to form Toyo Sho in 1995, to provide printing of labels and stickers and converting of double-sided tapes to these E&E manufacturers.

In 1996, we established our business relationship with Hitachi Cable (Johor) Sdn Bhd to supply printed labels and stickers.

As our business grew, we further expanded our converting capabilities to include different materials such as polyethylene plastics, foams and cardboard.

In 2001, we were appointed as a 3M converter to convert adhesive tape products for its customers.

In 2004, we were appointed by Underwriters Laboratories Inc. ("UL"), to print UL's registered marks on labels and stickers for the E&E market in North America. Our customers' products that are evaluated by UL and have met the applicable safety standards will be labelled with UL's registered marks.

In 2006, we were assessed and certified with ISO 9001:2000 QMS Certification under the scope of "manufacturing of printed labels, die-cut double-sided tapes and polyester tapes" from Alberk QA International Technical Control and Certification Ltd. This accreditation was subsequently updated to ISO 9001:2008 in 2015 and ISO 9001:2015 in 2018.

In 2010, we were assessed and certified with ISO 14001:2004 Environment Management Systems Certification under the scope of "manufacturing of printed labels, die-cut double-sided tapes and polyester tapes" from Alberk QA Technic GmbH. This accreditation was subsequently renewed in 2016 and updated to ISO 14001:2015 in 2018.

In 2011, we relocated to a bigger premise at our current location at Kawasan Perindustrian Tebrau III, Johor Bahru to better facilitate our growth and business expansion.

7. BUSINESS OVERVIEW (Cont'd)

Intag Industrial

In view of increased demand from our E&E customers for products such as cleanroom products, disposable products, wipers and gloves, this prompted Chaw Kam Shiang and our Executive Director, Lau Cher Liang who has experience in trading and distribution businesses to establish Intag Industrial in 2001.

In 2004, we were formally appointed as an authorised distributor by 3M to distribute 3M products such as tapes, adhesives, abrasives and static controls in Johor. As 3M is a recognised brand name in the market, this distributorship allowed us to strengthen our market position to distribute 3M's products to our customers.

In 2010, we started distributing Henkel's adhesive products for general industrial assembly applications.

In 2010, we were also engaged by Jabco Filter System Sdn Bhd, a company principally involved in the manufacturing of air filters, to supply mesh made from non-woven materials, fibre glass and PTFE, which are used as filters in domestic appliances by Dyson.

In 2012, we further enhanced our converting capabilities in mesh by investing in new machineries that apply ultrasonic technology.

Intag Steel

In 2005, we expanded our converting capability to include metal via the establishment of Intag Steel. Intag Steel undertakes profile cutting and cut-to-size metal parts for the construction, mechanical and engineering and precision tooling industries.

In 2007, we recruited Goh Jui Heng as the head of the sales department for Intag Steel. His experience in setting up the supply chain function helped to improve our metal converting services which led to an increase in sales. Subsequently in 2008, Goh Jui Heng became a shareholder and director of Intag Steel.

Over the years, from printing of labels and stickers, we have also established our converting capabilities to convert various materials such as tapes, papers, polyethylene plastics, foams, cardboard, non-woven materials, fibre glass, PTFE, polyester and metal for the E&E, precision tooling, automotive, mechanical and engineering and construction industries. We are also an authorised distributor for well-known tape and adhesive brands.

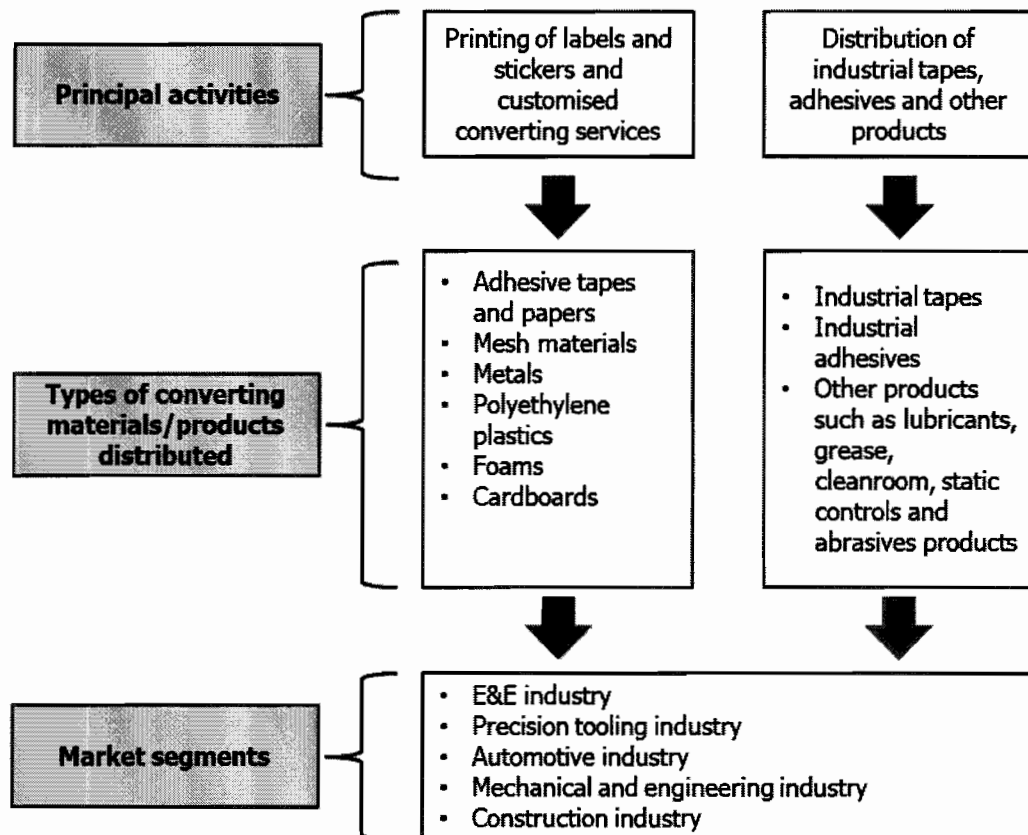
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7. BUSINESS OVERVIEW (Cont'd)

7.2 DESCRIPTION OF OUR BUSINESS

Our principal activities can be grouped into 2 main categories:

- Printing of labels and stickers and customised converting services; and
- Distribution of industrial tapes, adhesives and other products.






7.2.1 Printing of labels and stickers, and customised converting services

Our Group provides printing of labels and stickers. We use letterpress printing and thermal transfer printing methods, which enables us to customise and print high quality images on adhesive papers.

In addition, we also provide optional printing services including laminating, varnish coating, adhesive-kill printing and double-sided printing.



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7. BUSINESS OVERVIEW (Cont'd)

Type of materials	Description	Converted and printed products
 <p data-bbox="379 669 576 701">Adhesive papers</p>	<ul data-bbox="671 293 1043 674" style="list-style-type: none"> • Adhesive papers are a type of sticker papers that can be printed on. • The labels and stickers are used for decoration or functional purposes such as security sealing, industrial standards marking, instruction, identification and safety warning. 	 <p data-bbox="1082 701 1367 732">Security sealing stickers</p>  <p data-bbox="1102 1068 1347 1128">Industrial standards marking</p>

From printing of labels and stickers, our Group has also branched out into other customised converting services, to convert various materials into predefined shapes and sizes. The types of customised converting services that we currently provide are die-cutting, profile cutting, cut-to-size and slitting. We procure and convert the materials into the desired shapes and sizes as required by our customers.




We are capable of converting the following materials:

Type of materials	Description	Converted products
<ul data-bbox="309 1485 491 1576" style="list-style-type: none"> • Adhesive tapes and papers  <p data-bbox="304 1935 486 1966">Adhesive tapes</p>	<ul data-bbox="585 1485 1043 1962" style="list-style-type: none"> • Adhesive tapes are used for bonding, shielding, masking, protecting and insulating. • Logs of adhesive tapes are slit to meet customers' specification in width and length. • The types of adhesive tapes we convert include single-sided and double-sided tapes, masking tapes, heat sensitive tapes, pressure sensitive tapes, heat activated tapes and static control tapes. 	 <p data-bbox="1134 1655 1316 1686">Adhesive tapes</p>

7. BUSINESS OVERVIEW (Cont'd)

Type of materials	Description	Converted products
<ul style="list-style-type: none"> Mesh materials  <p>Polyester mesh</p>	<ul style="list-style-type: none"> Mesh is a network of threads or wires and used for functions such as filtration, protection, support and packaging. The types of mesh materials that we convert are non-woven materials, fibre glass, PTFE, polyester and stainless steel. The mesh products that we convert are mainly installed in air filters of domestic appliances for filtration and protection purposes. 	 <p>Converted polyester mesh</p>
<ul style="list-style-type: none"> Metals  <p>Long steel products</p>  <p>Flat steel products</p>	<ul style="list-style-type: none"> Metals consist of ferrous and non-ferrous metals, and are available in 2 main categories, namely long steel products and flat steel products. We provide cut-to-size and profile cutting services according to the needs and specifications that are required by customers. In addition, we provide value-added services such as AutoCAD drafting, milling and grinding, precision machining, and steel fabrication work and welding. The converted steel products are used as moulds, tool and dies, gear and steel parts, bolts and nuts, precision component in machines, etc 	 <p>Cut-to-size long steel products</p>  <p>Profile cutting</p>

7. BUSINESS OVERVIEW (Cont'd)

Type of materials	Description	Converted products
<ul style="list-style-type: none"> Others 	<ul style="list-style-type: none"> Other materials that we convert are polyethylene plastics, foams and cardboard. Polyethylene plastics will be used as protective cover for E&E goods. Foams will be used as cushion and gasket in the automotive industry. Cardboards will be used as carton boxes. 	 <p>Polyethylene plastics</p>  <p>Foams</p>  <p>Cardboards</p>

7.2.2 Distribution of industrial tapes, adhesives and other products

We are an authorised distributor for:






- 3M's industrial tape and adhesive products in Malaysia;
- Henkel's adhesive products in Malaysia and Singapore.

3M's industrial tape and adhesive products and Henkel's adhesive products are mainly supplied to our customers in the E&E industry as well as for general industrial assembly applications. Tapes and adhesives are now the widely preferred method of joining materials such as metal, glass, rubber and plastic, replacing traditional joining methods such as mechanical fastening and thermal joining.

We also provide value-added services where we carry out adhesion testing based on customers' usage requirements prior to recommending suitable products to our customers.





7. BUSINESS OVERVIEW (Cont'd)

Some of our popular tape products for FPE 2019 are as follows:

Products	Description	Illustrations
Glass Cloth Tape	Tape with a woven fibreglass backing with a silicone adhesive is used for high adhesion and high temperature resistance applications.	
Scotch Polyimide Film Tape	Tape with a polyimide film backing with a silicone adhesive is used for high heat resistance applications.	
Scotch Filament Tape	Tape with a polypropylene backing with a synthetic rubber-resin adhesive is used for oily surface applications.	
Very High Bond Double-Sided Tape	Tape with an acrylic foam core with a double-sided acrylic adhesive is used for transparent applications.	
Double-Coated Tape	Tape with a polyester film backing with an acrylic adhesive is used for high adhesion to metals and high surface energy material applications.	

7. BUSINESS OVERVIEW (Cont'd)

Some of our popular adhesive products for FPE 2019 are as follows:

Products	Description	Illustrations
Loctite Instant Adhesive	A low and medium viscosity and low odour instant adhesive that is used for absorbent surfaces.	
Teroson Bonding Adhesive	An industrial bonding adhesive that is highly versatile and is weather and UV resistant.	
Technomelt Supra	A hot melt adhesive that has a high adhesion and heat resistance.	
Sicomet	A medium viscosity adhesive that is fast curing and suitable for use in a variety of materials.	

In addition, we are also involved in the distribution of various brands of lubricants, grease, cleanroom, static controls and abrasive products.

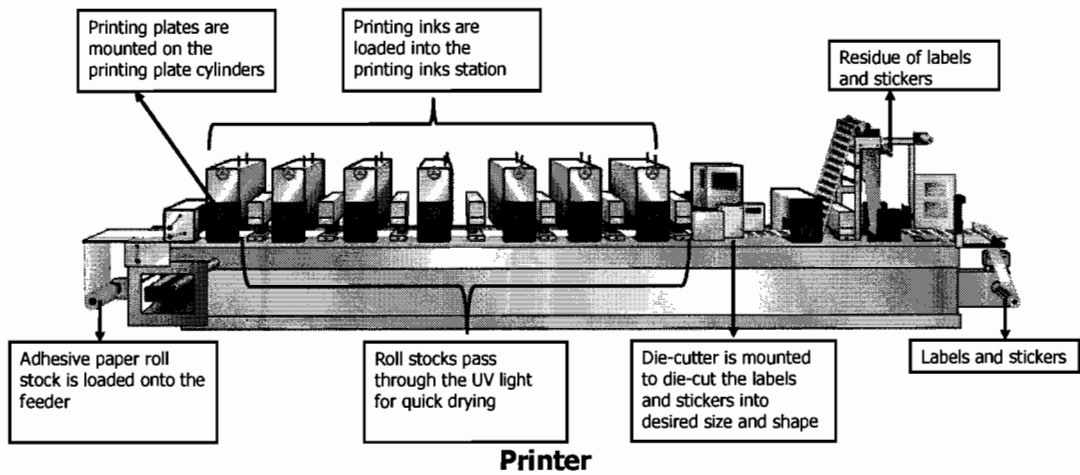
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7. BUSINESS OVERVIEW (Cont'd)

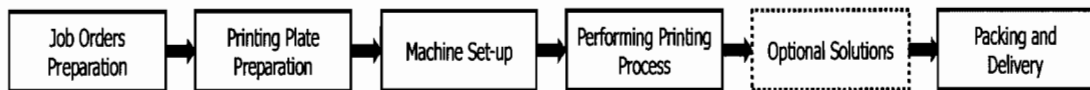
7.3 BUSINESS PROCESSES

7.3.1 Printing of labels and stickers and customised converting services

Printing of labels and stickers



Our processes flow for printing of labels and stickers are as below:



Job orders preparation

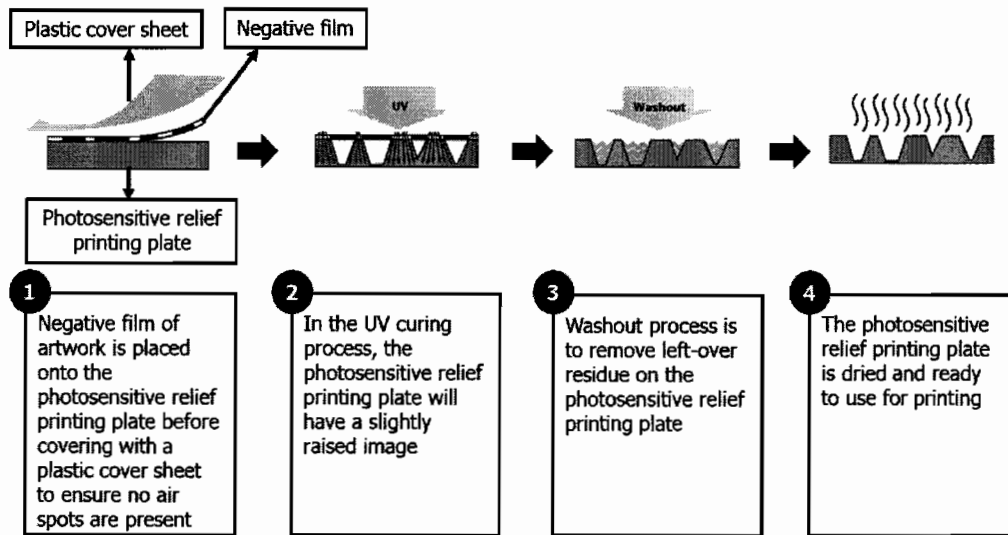
As and when we receive job orders from customers, our sales and marketing team will provide the customer's artwork to our labels and stickers design team to proofread the designs. Our design team may perform copy-editing to improve the formatting of the designs. However, for more intricate designs, we will outsource the artwork designs to third parties when the request arises.

Subsequently, we will prepare the raw materials such as printing inks, adhesive paper roll stocks, photosensitive relief printing plates and die-cutters that are required for the labels and stickers printing process.

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7. BUSINESS OVERVIEW (Cont'd)

Printing plate preparation



A printing plate is prepared through the UV curing process. In the UV curing process, a negative film of the artwork is placed onto a photosensitive relief printing plate, and covered with a plastic cover sheet to ensure that there are no air spots present before exposure to UV light.

After the UV exposure, the plate will have a slightly raised image. The washout process will be carried out next to remove left-over residue on the plate. The plate is then dried and ready to use for printing.

Machine set-up

The printer features a series of printer units, including adhesive paper feeder, printing plate cylinder, colour ink stations, UV light dryer, optional solution stations and die-cutter unit.

During the machine set-up stage, the adhesive paper roll stocks and printing inks will be loaded into the roll stocks feeder and colour inks station, respectively. The printing plate and die-cutter will be mounted respectively on the printing plate cylinder and die-cutter unit. The size specifications of labels and stickers will be keyed into the control panel and the printer is ready for production trial run.

Performing printing process

Once the printing process is activated, the adhesive paper roll stocks will pass through the printing plate that carries the ink from the colour ink station and print the colour image onto the roll stocks. The roll stocks will then pass through the UV light for quick drying. If the labels require more than one colour, more colour ink stations will be set-up. The printed roll stocks will then pass through the die-cutter unit to cut them into the desired size and shape of the labels and stickers. Accurate die-cutting ensures that the printed labels and stickers can be peeled easily.

Pilot printing will be carried out before the mass production, where we inspect the first piece of label and sticker sheet that is produced. Our QC personnel examine its colours, sizes, shapes and quality to ensure that the customers' requirements are met. Upon QC approval, mass production for job orders can commence.

7. BUSINESS OVERVIEW (Cont'd)

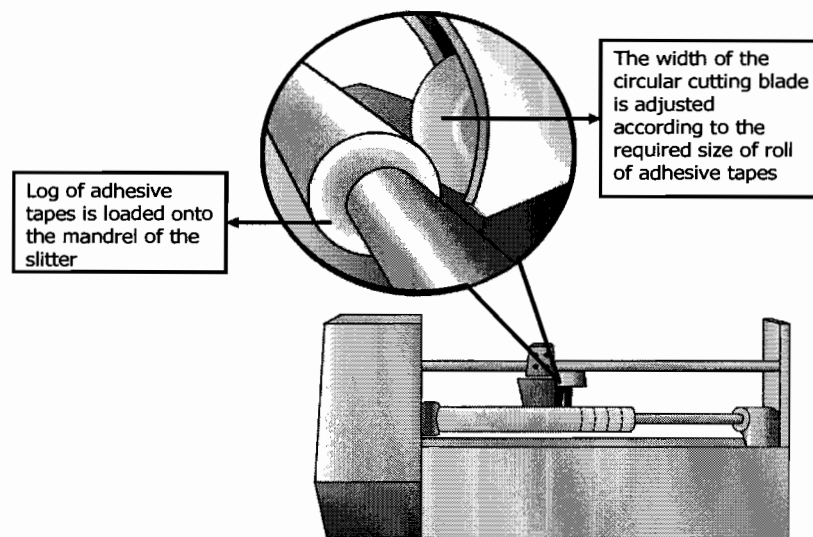
Optional solutions

We also provide optional solutions such as laminating, varnish coating, adhesive-kill printing and double-sided printing.

Packing and delivery

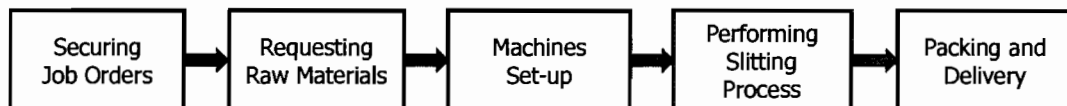
At this stage, we perform the final QC inspection on the finished labels and stickers. Finished labels and stickers that passed the QC inspection are either wound into rolls or left in sheet form, then packed into cartons and made ready for delivery by our own logistics team.

Converting of adhesive tapes



Slitter

Our process flow for converting of adhesive tapes is depicted as below:



Securing job orders

Once our sales and marketing team receives and confirms the job orders from customers, job orders will be passed on to our production team.

Requesting raw materials

Our production team will check the inventory whether the existing logs of adhesive tapes are sufficient to fulfil the job orders.

Machines set-up

Our production team will set up the slitter by adjusting the width of the circular cutting blade according to the size required. A log of adhesive tapes is then loaded onto the mandrel of the slitter.

7. BUSINESS OVERVIEW (Cont'd)

Performing slitting process

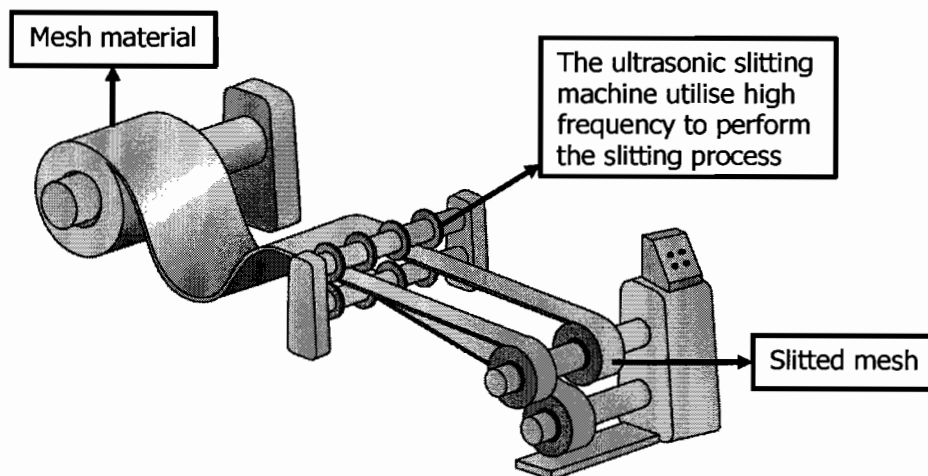
We perform pilot production where the log of adhesive tapes on the mandrel rotates, while the circular cutting blade slit the log of adhesive tapes into a specific width. After slitting, the slit pieces form rolls of adhesive tapes with custom width. Our QC personnel will then inspect the sampling to check its overall accuracy. If the sampling does not meet the specific requirement, we will re-adjust the slitter by adjusting the position of the circular cutting blade.

Upon QC approval, mass production for job orders can commence.

Packaging and delivery

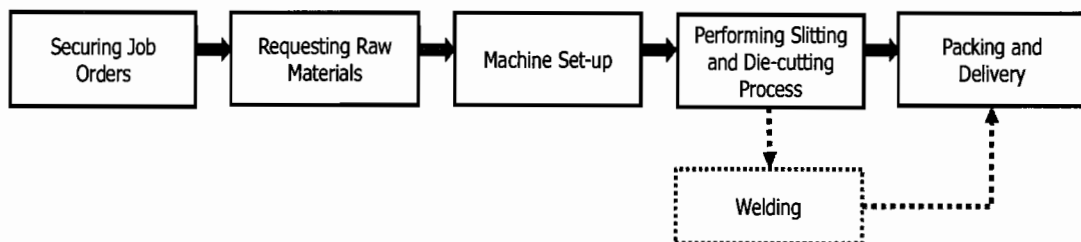
Rolls of adhesive tapes that passed the QC inspection are then packed and delivered to our customers through our own logistics team.

Converting of mesh



Ultrasonic slitting machine

Our process flow for the converting of mesh is depicted as below:



Securing job orders

After our sales and marketing team receives and confirms the job orders from customers, the job order description will be passed on to the production team.

Requesting raw materials

Our production team will then check the inventory level to ensure the existing inventory is available to fulfil the job orders.

7. BUSINESS OVERVIEW (Cont'd)

Machines set-up

We employ ultrasonic technology slitting machines that utilise high frequency to perform the slitting. Our production personnel will key in the required size specifications into the machine's control panel.

Performing slitting process

The slitting process is undertaken to cut the mesh materials into narrower strips. Pilot production is then carried out prior to mass production, where we will inspect the first piece of production. The necessary adjustments for dimension accuracy will be made and ready for mass production.

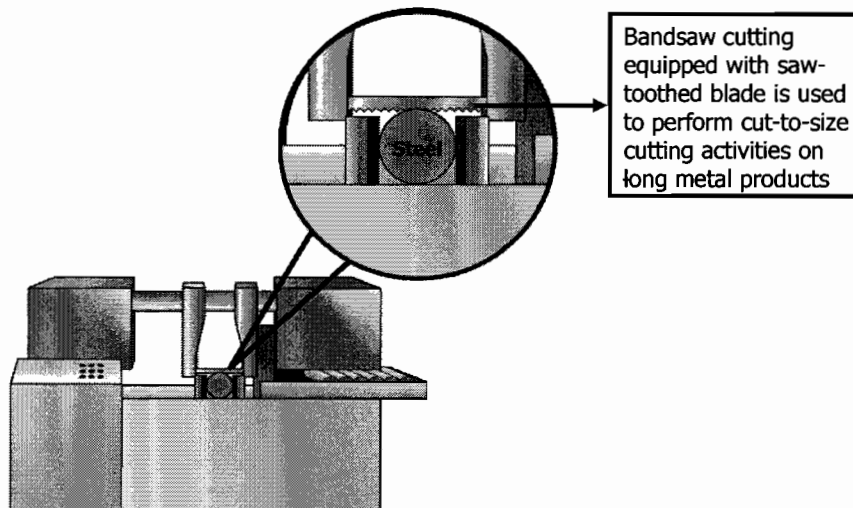
Welding

Welding provides a secure, cosmetically appealing way to join two edges. We apply an ultrasonic welding technology on polyester mesh and stainless steel mesh when the need arises.

Packing and delivery

Final products that passed the QC inspection test are then packed and delivered to our customers through our own logistics team.

Converting of metal

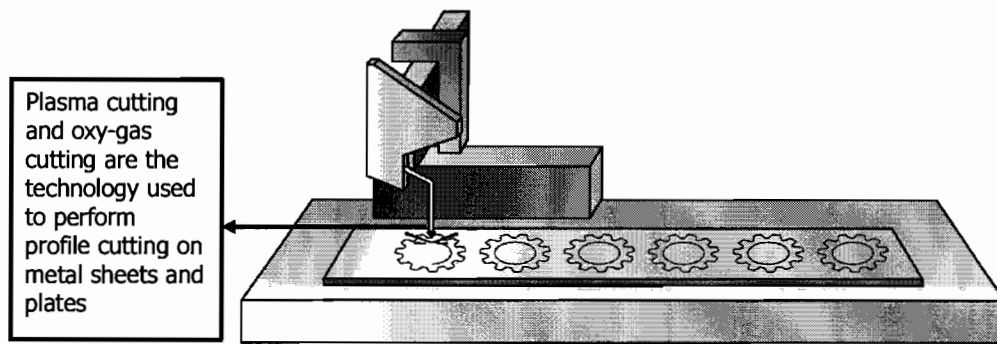


Bandsaw cutting equipped with saw-toothed blade is used to perform cut-to-size cutting activities on long metal products

Bandsaw machine

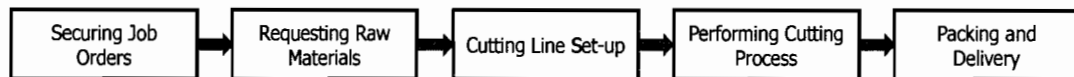
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7. BUSINESS OVERVIEW (Cont'd)



Profile cutting machine

Our process flow for the converting of metal products is illustrated below:



Securing job orders

When our sales and marketing team receives and confirms job orders from customers, the orders are passed on to the production team.

Requesting raw materials

The production team will then check the inventory to ascertain if the existing metal products are sufficient to fulfil the orders. In the event of insufficiency of metal products required by customers, we are able to source the metal products from our local suppliers in a timely manner, as the suppliers are located nearby to our production plant.

Cutting line set-up

After inventory confirmation and preparation of metal products, the cutting line will then be set up by our production team. Depending on the job orders received, our production team will set up the relative machines and mechanical adjustments will be made prior to the cutting process.

Bandsaw machines will be used for cutting long metal products such as bars and pipes, while CNC profile cutting machines are used to perform profile cutting on flat metal products such as metal sheets and plates.

Performing cutting process

When the cutting process begins, the first piece of item produced will be checked by our production QC personnel to ensure its quality and conformance to the dimensional tolerances based on our customers' requirements. Upon QC approval, the production for job orders can commence.

QC checks are performed during the production based on the process standards in order to ensure customers' requirements are met. Defective units will be either reworked or replaced.

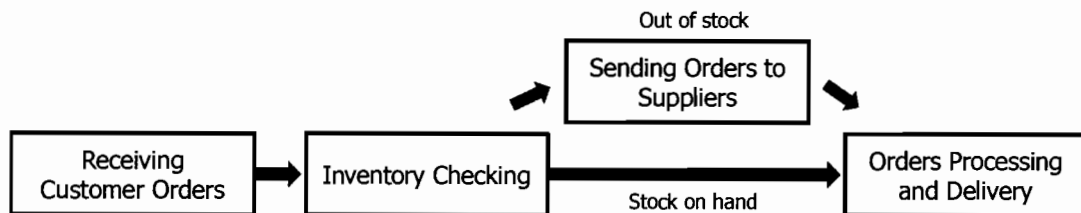
7. BUSINESS OVERVIEW (Cont'd)

Packing and delivery

Final products that pass the QC inspection test are then packed and delivered to our customers through our own logistics team.

7.3.2 Distribution of industrial tapes, adhesives and other products

Our process flow for the distribution of industrial tapes, adhesives and other products are as below:



Receiving customer orders

Customers will make their product enquiries and orders to our sales and marketing team. Our recurring customers will generally specify the products that they wish to purchase and we will then proceed for inventory checking based on the orders made.

For new customers, our sales and marketing team will prepare the preliminary product information which include product catalogues and follow ups to provide further product recommendations if required. In addition, we will carry out a series of adhesion tests based on customers' usage requirements prior to recommending the suitable product to our customers.

Inventory checking

Our sales and marketing team will then pass the purchase orders to our procurement department for order fulfilment.

Sending orders to suppliers

In the event that our inventory does not have the required products, our procurement department will place orders with our suppliers. The products received from suppliers will undergo a QC check and be made ready for warehousing or delivery.

Orders processing and delivery

We then carry out the final check based on the sales orders received by our sales and marketing team. Our logistics team will then deliver the products to our customers.

7. BUSINESS OVERVIEW (Cont'd)

7.4 PRINCIPAL MARKETS

Our principal market is Malaysia, where we generated 99.6%, 99.3%, 97.9% and 96.4% of our Group's revenue for FYE 2016 to 2018 and FPE 2019, respectively. Our products are sold to local and MNC manufacturers. Our end customers' products are mainly for export purpose.

7.5 SALES AND MARKETING

The sales and marketing strategies employed by our Group are shown as follows:

(i) Regular visits to our customers

We are in regular communication with our customers. We provide our customers with quarterly updates on the new products that we carry. Our sales and marketing team, who has in-depth knowledge of our products and services will conduct regular visits to our customers to demonstrate and recommend products and services that are suitable for various applications, to better understand and ascertain customers' current and future needs and requirements.

These regular communications with our customers also help to raise our Group's profile and awareness which could potentially lead to business opportunities for our Group. Furthermore, the relationships we have built with our customers act as a source of market intelligence, allowing us to keep abreast with industry trends and developments, enabling us to adapt to market demands.

(ii) Customer referrals

We have been in the converting industry for 23 years and have built our reputation based on high quality products and services. This has in turn resulted in the development and establishment of mutually beneficial relationships with our customers. The goodwill nurtured amongst these satisfied customers has also translated into more business opportunities through their recommendations to other prospective customers.

(iii) Official corporate website

Our Group has an official corporate website, www.mtaggroup.com. It provides information on our Group, including our products and services to potential customers. Enquiries through our corporate website are channelled back to our sales and marketing team.

7. BUSINESS OVERVIEW (Cont'd)

7.6 TECHNOLOGY USED AND TO BE USED

7.6.1 Technology used

For our printing of labels and stickers and customised converting services, we employ the following technologies:

(i) Letterpress printing

Letterpress printing is a form of relief printing, where text and/or image are produced from a photosensitive relief printing plate. In the printing ink station, ink is released through rollers and transferred onto the raised surface of printing plate, then subsequently pressed against the base materials such as paper, plastic and cardboard to produce the text and/or image.

Our Group utilises intermittent rotary letterpress printing machine, where the label printing processes from printing of colour, die-cutting and other optional processes such as varnish coating and laminating are carried out continuously in one machine.

(ii) Thermal transfer printing

Thermal transfer printing is a type of digital printing, which uses heated ribbon to produce image and/or text. The key consumable used in thermal transfer printing is wax-based ink, which is loaded into the printer in the form of a ribbon. A thermal print head applies heat to the ribbon, which melts ink onto the base material to form the image and/or text. Thermal transfer printers can create durable and long lasting labels as they do not fade and can withstand exposure to heat. Therefore, lamination is not needed to protect the printed labels. Thermal transfer printing is used for printing of barcode label.

(iii) Ultrasonic technology

Ultrasonic technology utilises high frequency to execute slitting and welding of base materials. With the help of high frequency, slitting of base materials can be executed precisely without damaging the edges of the materials.

For ultrasonic welding, the high frequency causes friction on the base materials in the joining areas and creates the heat required for the welding to occur. Ultrasonic welding can be performed on materials such as polyester mesh and stainless steel mesh.

(iv) Bandsaw cutting

A bandsaw machine is a semi-automated sawing machine, where a saw-toothed blade is welded onto 2 wheels, namely the drive wheel and the idler wheel, that rotate in the continuous loop to perform the cutting. The saw-toothed blade comes in different sizes and is used for cutting different materials including metal, wood and plastic. A bandsaw machine can produce uniform cutting due to an evenly distributed tooth load.

7. BUSINESS OVERVIEW (Cont'd)

There are 2 types of bandsaw machines, namely vertical and horizontal. For horizontal machines, the long material is fed underneath the blade and the blade cuts downwards into the materials. Horizontal machines are mostly used to cut the long materials into desired lengths and they usually turn off automatically when the cutting process is completed. For vertical machines, the material moves across the blade that cuts the side of the material. Vertical bandsaw machines can be used to cut out complex shapes and angles.

Our Group is currently using horizontal bandsaw machines for our steel cutting process.

(v) Plasma cutting

Plasma cutting is a technique used for precise profile cutting on materials such as steel, aluminium, brass and copper. Plasma is an ionised gas that conducts electricity and it is created by adding substantial heat to a gas through an electrode inside a chamber. The air pressure forces the plasma through a narrow opening of a nozzle, creating a constricted flow of plasma arc.

Plasma cutters are used to perform cutting and generally produce fast and precise cutting, typically with minimal slag and smooth cuts. Plasma cutting is generally a safer method of cutting as it does not require the handling of an open flame as seen in oxy-gas cutting.

(vi) Oxy-gas cutting

Oxy-gas cutting is a process that involves the combustion of fuel gas and oxygen to perform metal cutting. There are handheld oxy-gas cutting devices for manual cutting processes and floor-mounted oxy-gas cutting machines for heavy-duty cutting processes.

Prior to cutting, the metal needs to be pre-heated using a mixture of oxygen and fuel gas. Once the surface of the metal turns bright red, a pure oxygen stream will be blown towards the heated area, in order for the molten slag to be blown out, forming a cut on the metal.

7.6.2 Technology to be used

(i) Digital offset printing technology

Digital offset printing is a printing machine which uses laser to draw image and/or text onto a photo imaging plate that is fixed in the machine. The electrically charged ink is attracted to the laser-drawn image and/or text and the resulting inked-image and/or text are transferred onto a rotating cylinder and prints on adhesive papers. The photo imaging plate is capable of being recycled and reused, hence different image and/or text can be printed at each cycle.

7.7 SEASONALITY

Generally, our business is not affected by seasonality as purchase orders or work orders may be given to us at any time during the year.

7. BUSINESS OVERVIEW (Cont'd)

7.8 BUSINESS INTERRUPTIONS

We did not experience any material interruptions in our business activities, which had a significant effect on our operations, during the past 12 months prior to the date of this Prospectus.

7.9 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS

The materials purchased by our Group for FYE 2016 to 2018 and FPE 2019 are set out as follows:

	FYE 2016		FYE 2017		FYE 2018		FPE 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Mesh	61,309	75.9	113,422	82.1	72,036	74.2	59,777	74.7
Adhesive tapes and papers	6,426	8.0	13,240	9.6	11,318	11.7	8,878	11.1
Metals	9,424	11.7	8,585	6.2	11,166	11.5	9,066	11.3
Others ⁽¹⁾	3,589	4.4	2,956	2.1	2,575	2.6	2,278	2.9
	80,748	100.0	138,203	100.0	97,095	100.0	79,999	100.0

Note:

⁽¹⁾ Others refer to foams, polyethylene plastics and cardboard

Materials for our printing of labels and stickers and customised converting services are mainly sourced locally except for materials such as mesh, which are partially sourced from USA, Europe, Singapore and China.

Our financial performance was not materially affected by the volatility of prices of our materials for FYE 2016 to 2018 and FPE 2019.

7.10 QUALITY CONTROL PROCEDURES AND MANAGEMENT

7.10.1 QMS policy

Our Group emphasises quality in our services and our products. We operate using QC procedures and we are committed to providing our customers with high quality products and services. Our QC personnel are responsible for (i) managing and supervising our QC system, (ii) supervising the quality of products throughout the procurement and operating processes, including visual inspection of incoming goods and finished goods.

Our commitment to quality is evidenced by our subsidiary, Toyo Sho being accredited with the QMS, namely ISO 9001:2000 on 31 August 2006. This accreditation was received from Alberk QA International Technical Control and Certification Ltd. for the manufacturing of printed labels, die-cut double-sided tapes and polyester tapes. This accreditation was subsequently updated to ISO 9001:2008 on 24 July 2015 and ISO 9001:2015 on 13 July 2018.

The following procedures have been implemented in our operating processes as part of our QMS:

7. BUSINESS OVERVIEW (Cont'd)

(i) In-coming QC

We adopt and maintain strict procedures in the selection of suppliers based on criteria such as track record and market reputation, stability of supply and reasonableness of price, to ensure the quality of the incoming goods and finished products we procure. We will also conduct a visual inspection on the goods and finished products that are delivered to our manufacturing plant.

(ii) In-process QC

We conduct pilot production to ensure that defects are identified and corrected prior to mass production in order to minimise defective and rejected products. For our printing of labels and stickers and customised converting services, the defects that we generally identify are inconsistent colour output, incorrect positioning of roll stocks and die-cutter units. On the other hand, defects that generally occur in the converting of metal products are non-conformity of dimensional tolerances.

Our QC personnel also conduct continuous inspections throughout the production processes to maintain the process consistency.

(iii) Out-going QC

Out-going QC is carried out to ensure the finished products are compliant with our sales orders. A final inspection will be conducted before the finished products are delivered to our customers.

7.10.2 Health, safety and environmental management system policy

We are fully committed to ensure the well-being of our employees, visitors and the environment. We obtained the ISO 14001:2004 certificate on 26 December 2010 which was subsequently renewed on 30 September 2016 and updated to ISO 14001:2015 on 26 October 2018.

Our health and safety policy states that we are committed to:

- Providing a healthy and safe environment for our employees and visitors;
- Ensuring personnel are properly trained and provided with the appropriate safety gear and emergency equipment;
- Ensuring the work environment is free from hazards and pollution, and waste management is properly implemented;
- Taking appropriate actions to minimise hazards or conditions that endanger health, safety, or the environment;
- Complying with relevant environmental, health and safety laws for controlling hazardous chemical substances in products and materials; and
- Reviewing and revising the policy as necessary at regular intervals.

7. BUSINESS OVERVIEW (Cont'd)**7.11 MATERIAL MACHINERIES**

Details of the material machineries used by our Group for our operations are as follows:

Machinery	Description	⁽¹⁾No. of unit(s)	Total purchase price	Audited NBV as at 31 March 2019
			RM'000	RM'000
Label printing machine	Letterpress label printing machine featuring intermittent web feed mechanism	17	9,350	1,995
Label inspection machine	Desktop roll inspection system	1	473	355
Die-cutting machine	Die-cutting cutter	3	615	68
Laminator	Laminating machine	3	161	27
Slitting machine	Machine that cuts base materials into narrower strips	2	217	14
Ultrasonic technology machine	Machine that uses high frequency to cut, slit and weld	19	2,198	426
Pneumatic sticker machine	Punching machines	2	65	16
Bandsaw machine	Machine that cuts long steel products	4	235	27
CNC profile cutting machine	Machine that cuts flat steel products	3	867	258
Double girder electric overhead crane	Machine that lifts and moves heavy material from one location to another	2	203	46
				3,232

Note:

(1) Include units which are fully depreciated

7.12 OPERATING CAPACITY

Our Group operates from a single production facility that is located in Johor Bahru. Our Group's annual production capacity and utilisation for FYE 2018 are as follows:

7.12.1 Printing of labels and stickers and customised converting services

Types of machines	No. of unit(s)	⁽¹⁾⁽³⁾Annual capacity (pieces)	⁽²⁾Production output for FYE 2018 (pieces)	Annual production capacity utilisation rates (%)
Label printing machines	16	324,480,000	260,060,283	80.1

Notes:

(1) Calculated based on 10-hour shift per day, 26 days per month for 12 months

(2) Excludes time for machine set-up, pilot run and maintenance

7. BUSINESS OVERVIEW (Cont'd)

- (3) Does not include additional capacity of 20 million pieces from 1 new label printing machine and 1 new slitting machine which were acquired in FPE 2019

7.12.2 Converting of filter and mesh

Types of machines	No. of unit(s)	Annual capacity	⁽³⁾Production output for FYE 2018	Annual production capacity utilisation rates (%)
Slitting machine	1	⁽¹⁾ 2,937,984 sq m	1,230,750 sq m	41.9
Ultrasonic slitting machine and ultrasonic melting machine	8	⁽²⁾ 15,444,000 pieces	7,361,344 pieces	47.7
Ultrasonic welding machines	8	⁽²⁾ 3,594,240 pieces	2,160,198 pieces	60.1
Ultrasonic cutting machines and pneumatic sticker machines	5	⁽²⁾ 249,600 pieces	99,478 pieces	39.9

Notes:

- (1) Calculated based on 8-hour shift per day, 20 days per month for 12 months
- (2) Calculated based on 8-hour shift per day, 26 days per month for 12 months
- (3) Excludes time for machine set-up, pilot run and maintenance

7.12.3 Converting of metals

Types of machines	No. of unit(s)	⁽¹⁾Standard capacity (mm/minute)	⁽²⁾Production output for FYE 2018 (mm)	Time spent (minute)	Actual cutting speed (mm/minute)	⁽¹⁾Annual production capacity utilisation rates (%)
Bandsaw cutting machines	4	15.5	5,147,235	424,675	12.1	78.3
CNC profile cutting machines	3	675.1	161,864,840	314,291	515.0	76.3

Notes:

- (1) Calculated based on average cutting speed (mm per minute) of the year over the standard speed
- (2) Calculated based on number of cutting area

7. BUSINESS OVERVIEW (Cont'd)

7.13 RESEARCH AND DEVELOPMENT ACTIVITIES

As a converter company, we are not required to undertake and have not undertaken any research and development in connection with our business operations. However, we work with our customers to develop converting solutions in terms of material selection and converting technology.

7.14 MAJOR CUSTOMERS

Our top 5 major customers for FYE 2016 to 2018 and FPE 2019 are as follows:

Rank	Major customer	Total revenue		Length of relationship Years	Products and services
		RM'000	%		
FYE 2016					
1	Jabco Filter System Sdn Bhd	69,751	54.9	6	Tapes, mesh and adhesives
2	Takatronics (M) Sdn Bhd	7,095	5.6	1	Mesh
3	ATA Industrial (M) Sdn Bhd	7,000	5.5	8	Labels, stickers and mesh
4	Syarikat Sin Kwang Plastic Industries Sdn Bhd	3,388	2.7	8	Labels, stickers, tapes and adhesives
5	Flextronics Technology (Penang) Sdn Bhd	3,265	2.6	3	Labels, stickers and mesh
		90,499	71.3		
FYE 2017					
1	Jabco Filter System Sdn Bhd	105,501	56.5	7	Tapes, mesh and adhesives
2	Syarikat Sin Kwang Plastic Industries Sdn Bhd	17,044	9.1	9	Labels, stickers, tapes and adhesives
3	ATA Industrial (M) Sdn Bhd	8,917	4.8	9	Labels, stickers and mesh
4	Takatronics (M) Sdn Bhd	6,685	3.6	2	Mesh
5	Technocom Systems Sdn Bhd	5,168	2.8	9	Labels, stickers and tapes
		143,316	76.8		
FYE 2018					
1	Jabco Filter System Sdn Bhd	97,590	52.1	8	Tapes, mesh and adhesives
2	Syarikat Sin Kwang Plastic Industries Sdn Bhd	13,391	7.1	10	Labels, stickers, tapes and adhesives
3	ATA Industrial (M) Sdn Bhd	12,044	6.4	10	Labels, stickers and mesh
4	V.S. Industry Berhad	5,550	3.0	13	Labels, stickers, tapes and adhesives
5	Company C ⁽¹⁾	4,777	2.5	2	Labels, stickers and mesh
		133,352	71.1		

7. BUSINESS OVERVIEW (Cont'd)

Rank	Major customer	Total revenue		Length of relationship	Products and services
FPE 2019					
1	Jabco Filter System Sdn Bhd	71,719	52.7	9	Tapes, mesh and adhesives
2	ATA Industrial (M) Sdn Bhd	10,924	8.0	11	Labels, stickers and mesh
3	Syarikat Sin Kwang Plastic Industries Sdn Bhd	7,085	5.2	11	Labels, stickers, tapes and adhesives
4	V.S. Industry Berhad	4,144	3.0	14	Labels, stickers, tapes and adhesives
5	Technocom Systems Sdn Bhd	2,986	2.2	11	Labels, stickers and tapes
		96,858	71.1		

Note:

- (1) The transactions with Company C are conducted on the same business commercial terms with other customers. There are no unusual business arrangements with Company C

For FYE 2016 to 2018 and FPE 2019, our top 5 major customers contributed a total of 71.3%, 76.8%, 71.1% and 71.1% respectively, to our Group's total revenue. Our Group is dependent on a major customer, namely Jabco Filter System Sdn Bhd.

Save for Technocom Systems Sdn Bhd, all of our major customers are suppliers to Dyson. Dyson is a subsidiary of Dyson Limited, a private company established in UK. Dyson exports its products to various countries such as Australia, China, USA, Canada, Mexico, France, Italy, Germany, Netherlands, Norway, Denmark, Sweden, Korea, Japan and Singapore. Dyson provides research and development contract services and manufacturers domestic appliances, commercial hand dryers, lighting, electrical vehicles and batteries. Domestic appliances include vacuum cleaners, air purifiers, bladeless fans, heaters and hair dryers.

We supply certain components of the domestic appliances such as mesh, labels and stickers, tapes and adhesives, which are used by our customers to assemble semi-finished or finished domestic appliances product for Dyson. The revenue contributed by our Group's customers who are suppliers for Dyson amounted to 76.6%, 81.1%, 80.1% and 80.8% for FYE 2016 to 2018 and FPE 2019 respectively.

Having more than 10 years of technical knowhow and business relationship with Dyson, we have been discussing and developing solutions together with Dyson for their products. We are able to propose modifications on the materials selection and converting processes for their current and future developments. For example, due to the introduction of new vacuum cleaner models, we incurred significant testing and development costs on various mesh materials to meet the new specifications of those models. In view of the costly and time consuming testing and development process, we believe it will not be easy for our customer to switch to alternative suppliers.

As part of Dyson's quality control and costing process, we have undergone stringent qualification before becoming an approved component supplier to them. Approved suppliers are only allowed to purchase the required products/components/services from another approved supplier. Given the costly and time consuming qualification process, we believe that we are able to maintain our business relationships with our major customers who are

7. BUSINESS OVERVIEW (Cont'd)

suppliers to Dyson, as it will not be easy and commercially viable for them to seek alternative suppliers.

Although our top 5 major customers contributed a major portion of our Group's revenue for the past financial years/period, we have transactions with approximately 600 customers on a yearly basis. These customers are from various industries such as E&E, automotive, precision tooling, mechanical and engineering and construction and contributed revenue of RM30.2 million, RM35.7 million and RM37.7 million for the FYE 2016, 2017 and 2018 respectively, which indicates that our revenue from customers who are not related to Dyson are increasing. For FPE 2019, the revenue contributed from these customers amounted to RM26.1 million.

Moving forward, our Group expects the customers who relate to Dyson and our major customers to continue contributing to our Group's revenue. Our Group has maintained good working relationships with all our major customers and Dyson and there has been no material disputes experienced by our Group as at LPD. We are also expanding our business through our future plans and strategies as set out in Section 7.18 that allows us to cater to more customers.

7.15 MAJOR SUPPLIERS

Our top 5 suppliers for FYE 2016 to 2018 and FPE 2019 are as follows:

Rank	Major supplier	Total purchase		Length of relationship Years	Products and services
		RM'000	%		
FYE 2016					
1	Hollingsworth & Vose group of companies	19,675	21.9	7	Mesh
2	Meta International Pte Ltd	13,821	15.4	1	Tapes, adhesives and mesh
3	3M	9,927	11.1	12	Tapes, adhesives, mesh and labels
4	TSK Hardware Sdn Bhd	3,791	4.2	10	Metal products
5	Henkel	3,280	3.7	6	Adhesives
		50,494	56.3		
FYE 2017					
1	Hollingsworth & Vose group of companies	43,338	28.0	8	Mesh
2	Meta International Pte Ltd	29,461	19.1	2	Tapes, adhesives and mesh
3	SBL Worldwide Trading Pte Ltd	26,540	17.2	1	Mesh
4	3M	13,582	8.8	13	Tapes, adhesives, mesh and labels
5	Henkel	3,841	2.5	7	Adhesives
		116,762	75.6		

7. BUSINESS OVERVIEW (Cont'd)

Rank	Major supplier	Total purchase		Length of relationship Years	Products and services
		RM'000	%		
FYE 2018					
1	Hollingsworth & Vose group of companies	22,569	19.2	9	Mesh
2	Nitto Denko (Singapore) Pte Ltd	20,339	17.3	8	Mesh
3	3M	13,234	11.3	14	Tapes, adhesives, mesh and labels
4	TSK Hardware Sdn Bhd	6,308	5.4	12	Metal products
5	Henkel	5,770	4.9	8	Adhesives
		68,220	58.1		
FPE 2019					
1	Hollingsworth & Vose group of companies	23,373	25.1	10	Mesh
2	Nitto Denko (Singapore) Pte Ltd	17,287	18.6	9	Mesh
3	3M	6,192	6.7	15	Tapes, adhesives, mesh and labels
4	TSK Hardware Sdn Bhd	4,835	5.2	13	Metal products
5	Lintec Kuala Lumpur Sdn Bhd	1,623	1.7	4	Tapes and labels
		53,310	57.3		

For FYE 2016 to 2018 and FPE 2019, our top 5 suppliers contributed a total of 56.3%, 75.6%, 58.1% and 57.3% respectively, to our Group's total purchases.

Our Group has maintained good working relationships with our major suppliers and there has been no material disputes experienced by our Group as at LPD. Although Hollingsworth & Vose group of companies accounted for 21.9%, 28.0%, 19.2% and 25.1% of our total purchases for FYE 2016 to 2018 and FPE 2019 respectively, our Group is not dependent on our major suppliers as the final selection of the suppliers is determined by our customers i.e. the Group is only allowed to purchase from a Dyson's approved supplier. Our supplier who is the approved component supplier to Dyson must also undergo stringent qualification before becoming one of the suppliers in the value chain.

7.16 DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

Our Group is not dependent on any contracts, agreements or other arrangements that could materially affect our business as at LPD.

7.17 COMPETITIVE STRENGTHS**7.17.1 Customised converting services to cater for customers' needs**

We are a converter that provides flexible and customised converting services such as slitting, cutting, welding and die-cutting to fit customers' needs and requirements. Our customised and wide range of machineries allows us to offer a wide range of flexible solutions from simple to complex converting services.

7. BUSINESS OVERVIEW (Cont'd)

We are capable of converting a variety of materials such as adhesive tapes and papers, mesh, plastics, foams, cardboards and metals, into predefined shapes and sizes. We apply various converting methods such as ultrasonic technology for mesh, rewind slitting for adhesive tapes, papers and plastics, die-cutting for foams and cardboards as well as bandsaw cutting, plasma cutting and oxy-gas cutting for metals to cater for various industries such as E&E, automotive, precision tooling, mechanical and engineering and construction.

7.17.2 High quality and flexible labels and stickers printing services

We offer high quality printing of labels and stickers in terms of colour sharpness and uniformity. We also provide a variety of finishing options such as laminating, varnish coating, adhesive-kill printing and double-sided printing. We can print in various sizes and shapes on a variety of paper types within a short lead time of 1 to 2 working days.

7.17.3 Established track record

The Group has through Toyo Sho been in operation over the last 23 years and established a diversified customer base of more than 600 customers from various industries such as E&E, automotive, precision tooling, mechanical and engineering and construction.

Approximately 25% of our total number of customers have been dealing with us for the past 10 years. Our ability in securing and retaining our customers is a testament of our proven track record.

7.17.4 Authorised distributor of industrial tapes and adhesives for well-known brands

We carry 2 reputable brands of industrial tapes and adhesives, namely 3M and Henkel.

We were appointed as a 3M converter since 2001 due to our strong converting capabilities. We were further appointed as an authorised distributor for 3M's industrial tape and adhesive products in 2004.

We were also appointed to distribute Henkel adhesive products since 2010, for general industrial assembly applications.

We believe that our appointment by these global brands is a testament to our technical know-how in the application of their products and our consistent and quality deliverables to their end customers.

Our long working relationships with 3M and Henkel as well as the wide range of tape and adhesive products that we carry has helped us to establish our reputation as a preferred converter and/or distributor of industrial tapes and adhesives.

7.17.5 Experienced management team

Our Group is led by experienced Executive Directors and management team. Our Managing Director, Chaw Kam Shiang, our Executive Directors, Lau Cher Liang and Goh Jui Heng, as well as our business unit head of Toyo Sho, Choo Jack Kie, are all instrumental to the growth of our Group. They have an aggregate of approximately 80 years in the converting services. They are supported by a group of dedicated employees with diverse backgrounds and experiences. The collective expertise, experiences and abilities of our Managing Director, Executive Directors and management team have enabled us to grow our business and expand our market presence.

7. BUSINESS OVERVIEW (Cont'd)

7.17.6 Commitment to quality assurance

Our Group emphasises quality in our work, services and products. We strive to render quality services and ensure customers' satisfaction in the delivery of our products and services. Since our establishment, our Group has established a long-standing reputation as a quality provider of consistent printing and converting services, particularly to the E&E industry which are generally stringent in terms of product standards. Our commitment in quality standards is proven by the accreditation of our QMS in compliance with ISO 9001:2015 by Alberk QA Technic GmbH for the provision of manufacturing of printed labels, die-cut double-sided tapes and polyester tapes. In addition, our quality consistency over the years has helped us establish a strong reputation as a reliable and trustworthy partner in the printing and converting services and this has further strengthened our customers' faith in our service capabilities.

In respect of our distributed products, our Group ensures that we seek such products from reputable manufacturers and also carries out sample checks of all the purchased acquired before they are delivered to customers.

7.18 BUSINESS STRATEGIES AND PROSPECTS

In order to cater to the demand of our existing customers and to capture a larger share of the label printing and converting industry, we aim to expand our converting capabilities and to adopt new printing technology (i.e. digital offset printing). We intend to implement the following future plans for the future growth and expansion of our business.

7.18.1 Land acquisition and construction of manufacturing plant

As part of our efforts to expand our manufacturing plant, we intend to acquire a piece of land of approximately 10 acres (435,600 sq ft), in Senai or Tebrau area in Johor Bahru. The land to be acquired will be used to construct a new manufacturing plant to house our corporate office, production lines and warehouse. We intend to construct our new manufacturing plant in 2 phases. The first phase of construction will provide us with built up area of approximately 200,000 sq ft.

The new manufacturing plant is part of our business growth strategies to accommodate the (i) increased demand from our existing customers for labels, stickers and mesh, (ii) potential introduction of other Dyson-branded products and (iii) orders from new customers who are not related to Dyson.

Upon the completion of new manufacturing plant, we will relocate our business operations from our current manufacturing plant to the new manufacturing plant in 2 phases.

Based on our previous experience when we moved to our current manufacturing plant in 2011, to ensure a smooth transition and minimise any potential business interruptions, we will seek advice and assistance from our machine's engineers and technicians for proper relocation planning and arrangement. In the first phase, we will first move 2 or 3 production lines (which includes machines and employees) for electrical and other function testing at the new manufacturing plant for about 2 weeks. Thereafter, we will relocate approximately 70% of our production line to the new manufacturing plant while the remaining 30% of production line will remain operational in our existing manufacturing plant. Relocation in stages minimises interruptions to our production activities.

We will fully relocate our business operations to the new manufacturing plant in the second phase once our first phase relocation plan is fully operational and stabilised.

7. BUSINESS OVERVIEW (Cont'd)

We require a new manufacturing plant as it allows us to have a wider storage area and production space. We will cease renting the bonded warehouse which are currently utilised for storing our raw materials. Centralising the warehouse with our manufacturing plant eliminates the logistic requirement and improves our production efficiency. It is also our plan to purchase new machineries as our business grows and we will need a bigger manufacturing plant to accommodate it.

Depending on the property market conditions, we may sell or rent out our current manufacturing plant.

As at LPD, we are still in the midst of identifying a suitable land for our new manufacturing plant. The tentative timeline for the acquisition of land and construction of the first phase of our new manufacturing plant is as below:

Milestone	Description
T	Listing Date
T + 6 months	Expected completion of land acquisition
T + 9 months	Expected receipt of all relevant approvals in relation to construction
T + 12 months	Expected commencement of construction
T + 30 months	Expected completion of construction
T + 36 months	Relocation of our existing manufacturing line and expected commencement of our production activities in stages

The total estimated cost to be incurred for the new manufacturing plant is approximately RM33.0 million, which includes the cost of acquiring land and first phase of construction. The funds required will be financed using the IPO proceeds.

7.18.2 Purchase of new machineries

Our Group intends to expand our production capacity as part of our future plan. We plan to invest approximately RM13.0 million from the IPO proceeds in new machineries for our printing of labels and stickers within 36 months from the Listing.

We are currently operating at 80% capacity for printing of labels and stickers and customised converting services. This is computed based on 10-hour shift per day, 26 days per month (excluding overtime). It is not viable for a customised converter, which rely on customer's forecast to maximise further as our existing customers may give us short notice to increase their upcoming orders. We have a buffer which is the overtime that can cater to ad hoc ramping up of orders from our existing customers. As such, to further increase our production capacity, we will need to add more machineries and production line. We expect to increase our Group's annual production capacity for the printing of labels and stickers by 312,360,000 pieces from the existing capacity of 324,480,000 pieces to 636,840,000 pieces upon commissioning of all the new machineries.

To minimise the risk of underutilisation of our existing and new machineries, we will purchase the machines in stages when we foresee increased demand from our customers.

One of the machines that we have identified is the digital offset printer which applies laser to draw the image and/or text which enables us to digitally print without a conventional printing plate. This technology is more efficient and reduces wastage and time. Please refer to Section 7.6.2 for further details of the technology to be used.

This new printer allows us to secure orders which required higher definition of printing such as pictures. We can also improve our efficiency as the new printer does not require any printing plate and has no limitation to print different colours and sizes concurrently.

7. BUSINESS OVERVIEW (Cont'd)

We have previously turned down several orders from other E&E customers due to insufficient production capacity and labels and stickers which required very high definition. We will be able to secure such orders once we purchase the new printer and increased our production capacity.

7.18.3 Prospects of our Group

Our Board is positive of our Group's prospects, after taking into consideration our future plans as elaborated above, our key competitive strengths set out in Section 7.17 above, as well as the positive outlook of the label printing and converting industry in Malaysia from 2019 to 2023.

According to the IMR Report, the label printing and converting industry is projected to expand from RM5.46 billion in 2018 to RM8.11 billion in 2023. The forecast CAGR for the label printing and converting industry is 8.2% from 2019 to 2023. Sustainable demand of label printing and converting services is expected to come from factors such as the broad range of end-user markets, the sustained growth in the global and Malaysian economy, as well as the growth of E&E industry that is an important subsector of the Malaysian manufacturing sector.

(Source: IMR Report)

Please refer to Section 8 for further details of the outlook of the label printing and converting industry as well as the outlook of the steel distribution and secondary steel forming industry.

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8. IMR REPORT

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The information in this Section 8 is based on market research conducted by Protégé Associates commissioned by MTAG for the purpose of the IPO.

20 July 2019

The Board of Directors
MTAG Group Berhad
Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Dear Sir/Madam,

Strategic Analysis of the Label Printing and Converting Industry and an Overview of the Steel Distribution and Secondary Steel Forming Industry in Malaysia

Protégé Associates Sdn Bhd ("Protégé Associates") has prepared this 'Strategic Analysis of the Label Printing and Converting Industry and an Overview of the Steel Distribution and Secondary Steel Forming Industry in Malaysia' for inclusion in the prospectus of MTAG Group Berhad ("MTAG" or the "Company") in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad.

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Mr. Seow Cheow Seng is the Managing Director of Protégé Associates. Having started his career with Frost & Sullivan where he spent 7 years, he has 19 years of experience in market research. He has been involved in a multitude of industries covering Automotive, Electronics, Healthcare, Energy, IT, Oil and Gas, etc. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd ("MDEC"), Malaysia Debt Ventures Berhad ("MDV") and Malaysia Technology Development Corporation Sdn Bhd ("MTDC").

We have prepared this report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you and sincerely,



SEOW CHEOW SENG
Managing Director

8. IMR REPORT (Cont'd)

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1.0 Description of MTAG

MTAG is an investment holding company with three subsidiaries namely, Toyo Sho Industrial Products Sdn Bhd, Intag Industrial Supplies Sdn Bhd and Intag Steel Hardware Sdn Bhd (collectively referred to as "MTAG Group" and the "Group"). MTAG Group is principally involved in: (1) printing of labels and stickers and customised converting services and (2) distribution of industrial tapes, adhesive and other products.

Converting services refer to printing, die-cutting, slitting and combining materials to produce new products. Substrate materials such as papers, metal, plastics, foams and polyester are subject to various processing machines where these materials are printed, cut and slit; converting these materials into semi-finished or finished products. The Group main activities are part of the label printing and converting industry whereas the Group's converting of metal products which involve the secondary processing of steel products will be part of the steel distribution and secondary steel forming industry.

2.0 The Label Printing and Converting Industry in Malaysia

The label printing and converting industry in Malaysia was valued at RM5.46 billion in 2018, representing an increase of 9% from RM5.01 billion in 2017, spurred by the global economic growth which positively impacted the external sectors. The label printing and converting industry is forecast to reach RM8.11 billion in 2023, representing a compound annual growth rate ("CAGR") of 8.2% for the 2019 to 2023 period.

Figure 1: Historical Performance and Growth Forecast for the Label Printing and Converting Industry, 2017-2023

Year	Industry Size (Revenue) (RM billion)	Growth Rate (%)
2017	5.01	-
2018	5.46	9.0
2019	5.92	8.4
2020	6.42	8.4
2021	6.95	8.3
2022	7.51	8.1
2023	8.11	8.0

CAGR (2019-2023)(base year of 2018): 8.2%

Source: Protégé Associates

Growth will be driven by the variety of end-user markets the industry serves due to the versatility of the label printing and converting industry. As the industry's performance is relative to the performance of its many end-user markets, unfavourable economic conditions will lead to the deterioration of its end-user market businesses as these businesses reduce production and decrease spending. However, the outlooks of both the global and Malaysian economies are projected to remain positive. According to the International Monetary Fund ("IMF"), the global economy is projected to grow by 3.3% and 3.6% in 2019 and 2020, whilst the Bank Negara Malaysia ("BNM") projected the Malaysian economy to grow by between 4.3% to 4.8% in 2019.

Growth in the Electrical and Electronics ("E&E") industry will also spur the demand for label printing and converting services in the long term. According to the Malaysian

8. IMR REPORT (Cont'd)

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Investment Development Authority ("MIDA"), the E&E industry attracted the highest amount of foreign investments amounting to RM10.7 billion as well as the second highest amount of total investments of RM11.2 billion in 2018. During the first quarter of 2019 ("Q1 2019"), the E&E industry received RM15.6 billion worth of approved investment. E&E products are also Malaysia's largest export earner in 2018, amounting RM32.8 billion and making up 39.4% of the total export value.

In terms of supply side, the government has played an important role in driving growth by providing tax incentives and dedicated agencies such as MIDA to advice new market entrants. Efforts by the printing and converting market players to continue upgrading themselves to remain competitive and the various innovations in the field of printing technology are also growth drivers.

However, the label printing and converting industry's dependency on foreign workers will dampen growth in the label printing industry and will have a high impact in the near and medium term depending on whether the government decides to implement any changes in the recruitment policies of foreign workers moving forward.

2.1 Competitive Landscape

Based on the latest Economic Census for the Manufacturing Industry 2016 released by the Department of Statistics Malaysia, there were 213 establishments involved in the manufacturing of adhesive paper products including labels and 849 establishments that was involved in the provision of related printing services as at the end of 2015. These statistics have formed the underlying basis in estimating the number of market players in the label printing and converting industry. As there were no major changes in the business environment and regulations to the label printing and converting industry, the number of market players is forecast at approximately 1,000 in 2018. These market players possess different manufacturing capabilities depending on their production facilities and different target end-user markets, ranging from consumer products such as food and beverage, electrical and electronics to industrial products such as machinery and equipment. There are several key competitive trends within the industry as detailed below:

- Expansion in target end-user markets – Market participants are increasingly diversifying their end-user markets to expand into other growth areas. Such move allows them to mitigate the risk of over-reliance on a single end-user industry and cushion the volatility in financials arising from this over-reliance.
- Continuous investment in upgrading printing capabilities – Market participants continue to set aside capital expenditure to adopt new printing technologies with improved sophistication to produce products with higher quality at a faster speed. This measure is essential for the market players in meeting the ever-changing needs from the end-user markets, as well as to support them in the move to diversify their customer base.
- Close proximity to customer – Market participants generally choose to stay close to its customers, have its facility set up close to customers to facilitate customer's ad-hoc demands as well as to reduce the production lead time.

8. IMR REPORT (Cont'd)

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2.2 Demand and Supply Conditions**2.2.1 Demand Conditions****Broad Range of Label Printing and Converting Industry's End-User Markets**

Labels and converting materials are used in almost if not all industries ranging from food and beverage, personal care, household care, industrial products to consumer electronics and even agriculture produce. With a multitude of end-user markets to service due to its versatility, market players can look forward to growing demand from these markets. By having a broad range of end-user markets, the label printing and converting industry is able to mitigate or reduce the risk of over-reliance on a particular end-user market which leaves more room for market expansion.

Sustained Growth in the Global and the Malaysian Economy

According to IMF, the global economy registered a commendable growth of 3.6% in 2018 as compared to 3.8% in 2017 while, BNM reported that the Malaysian economy registered a 4.7% growth compared to 5.7% in 2017 based on the latest publication by Department of Statistics Malaysia on 16 May 2019. Apart from the continued expansion in domestic demand, the local economy was also boosted by robust demand for manufactured products. With the world economy projected to expand by 3.3% and 3.6% in 2019 and 2020 and the Malaysian economy forecasted to grow by between 4.3% to 4.8% in 2019, the label printing and converting industry is likewise set to grow. Positive economic growth leads to increased business activities across its end-user markets and as an industry that is reliant on its end-user markets, increased consumption of products offered by the end-users will call for increased production rates thus driving the need for more labels.

Growth of the E&E Industry

The E&E industry is one of the leading sectors in Malaysia's manufacturing sector and has been a significant contributor to the nation's economy. According to MIDA, the industry attracted the highest amount of foreign investments amounting to RM10.7 billion as well as the second highest amount of total investments of RM11.2 billion across 56 projects in 2018. This was an increase of 15.5% compared to 2017's performance, in which the E&E industry attracted RM11.2 billion in investments across 56 projects. During Q1 2019, the E&E industry received RM15.6 billion worth of approved investment. E&E products are also Malaysia's largest export earner in 2018, totalling RM32.8 billion and accounting for 39.4% of the total exports.

Under the Third Industrial Master Plan ("IMP3") which spans from 2006 to 2020, the government aims to achieve total investments of RM82.4 billion and total exports to reach RM738.9 billion by 2020. Several strategic thrusts have been put in place to achieve this target. Other policies such as the National Internet of Things ("IoT") Strategic Roadmap and the National Aerospace Blueprint 2015-2020 were launched by the government to assist the E&E industry in penetrating new market segments by encouraging innovation-driven operations. As such, the E&E industry is expected to continue playing a vital role in Malaysia's economy throughout the forecast period and will indirectly spur the demand for printing and converting services that cater to the E&E industry.

8. IMR REPORT (Cont'd)

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2.2.2 Supply Conditions**Expansion within the Label Printing and Converting Industry through Various Innovations**

In order to retain its competitive advantages in the marketplace, label printing and converting players have been investing in upgrading their facilities and acquiring the latest manufacturing and printing technologies in order to meet the expectation of their end-user clients. In the label printing and converting industry, advancement in manufacturing and printing and converting technology is expected to be a strong growth factor of the label printing and converting industry throughout the forecast period. This growth will result from the new generation of features added to digital systems, bringing enhanced automation, greater versatility and reliability.

We are on the verge of the fourth industrial revolution ("Industry 4.0") whereby manufacturing technology is driven by digitalisation via connected technologies. It is described as smart manufacturing or digital factories. Industry 4.0 introduces the combination of digitalised and automated manufacturing process and real time physical progress monitoring in order to make decentralized decisions.

This trend will increasingly see the label printing and converting industry players move towards more automation of their production processes such as using sophisticated management information systems that will be integrated with specialised inspection and colour performance software, through to fully automated press and finishing line set-up. Among the 6 substrates of corrugated packaging, folding cartons, flexible plastic packaging, metal, rigid plastics and labels, the label printing and converting industry is one of the first to take advantage of digital technologies. Although digital printing equipment is currently more expensive than its analogue counterparts, it has the benefit of greater production capacity, multiple substrate capability and more flexible data management. In addition to fully digital printing equipment, hybrid solutions using both conventional and digital printing technologies are also becoming more mainstream, coupled with advanced ink formulations that deliver specific high-performance features.

Strong Support from the Malaysian Government

The Malaysian Government has been mindful of the contributions of the manufacturing sector towards the Malaysian economy, illustrated by the presence of various tax incentives that are relevant for label printing and converting players. These include Reinvestment Allowance, Group Relief, Industrial Building Allowance and Deduction of Audit Fees.

Dependency on Foreign Workers

The manufacturing sector including the label printing and converting industry in Malaysia has continuously grappled with labour shortage due in part to the poor participation from Malaysians. Therefore, the industry has been relying on foreign workers. Industry players face another set of problems in view of the existing government policies on employment of foreign workers. The Malaysian Government may from time to time review current policies and regulations on the employment of foreign workers, and any unfavourable changes could have a more profound impact on the label printing and converting industry. This impact of this supply condition is expected to reduce slightly in the long term as label printers are forecasted to be less dependent on foreign workers by implementing automation and the introduction of new technologies that need less manual intervention during the manufacturing processes.

2.3 Prospects and Outlook of Label Printing and Converting Industry

The outlook for the label printing and converting industry is positive for the immediate term and steady growth is projected throughout the forecast period from 2019 to 2023. In 2018, the market size of the label printing and converting industry in Malaysia is estimated at RM5.46 billion. The forecast CAGR of the industry is 8.2% from 2019 to 2023. The label printing and converting industry is projected to reach to RM8.11 billion in 2023.

Growth in the label printing and converting industry will be supported by the various end-user markets it serves. Due to the versatility of the label printing and converting industry, it is able to reduce the risk of over-reliance on a particular end-user market, thereby providing more areas for expansion into the various end-user markets. The manufacturing sector especially the E&E industry in Malaysia has also been registering positive growth which bodes well for the growth of the label printing and converting industry as it support many of the industries within the manufacturing sector.

Other growth drivers for demand are expected to come from the expansion in the global and Malaysian economies that are sustainable. Furthermore, market players within the label printing and converting industry are continuously expanding their technical capabilities to further strengthen their competitive edge. This is helped by the increasingly sophisticated and efficient printing technology coupled with strong support from the government. All these factors are likely to promote further expansion in the label printing and converting industry in the long term. However, growth in the label printing and converting industry will face certain downside risk from the high dependency on foreign workers.

3.0 Overview of the Steel Distribution and Secondary Steel Forming ("SDSSF") Industry in Malaysia

The SDSSF industry provides link between steel producers and industrial end-users especially the construction and manufacturing sectors, and also facilitates the transformation of basic steel products from a basic commodity to high value-added end-product with diverse functionalities and versatility in terms of applications. Therefore, the SDSSF industry is an important component of the overall steel industry in Malaysia with tremendous linkages to the overall economic development of the country.

The main participants in the distribution market are steel distributors and secondary steel forming companies. Steel distributors are also known as stockists as they buy large quantities of steel and hold it in their respective storage areas with the intention of consistently supplying these steel products to industrial end-users. The secondary steel forming companies are involved in providing secondary and/or value adding services to the final, finished steel products. The secondary processes will determine the final shape of the finished steel products and also incorporate any additional desired properties required for the finished steel products. Steel fabricators, cutters and machinists are examples of secondary steel forming companies.

8. IMR REPORT (Cont'd)

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The SDSSF industry in Malaysia is highly fragmented with an estimated 5,000 market players ranging from SMEs to big, public listed companies catering to various industries needs for both the local as well as international market. The bulk of these market participants are steel distributors and they are located throughout the country. Steel distributors in Malaysia generally compete on range of products, delivery time and pricing while secondary steel forming companies generally compete on price, precision levels of steel processing, product quality and timely delivery. Many companies are increasingly offering both services as they seek to become one-stop solution providers to increase overall competitiveness. Some of the Johor based market players that are comparable to MTAG Group are An Da Hardware Sdn Bhd, Seng Datt Hardware Sdn Bhd, D&E Works Sdn Bhd and DYC Metal Works Enterprise Sdn Bhd. The SDSSF industry in Malaysia grew by 4.5% in 2018 from RM24.83 billion in 2017 to RM24.90 billion 2018, driven by sustained demand from construction and manufacturing related industries such as automotive, fabricated metal products, and machinery and equipment.

Figure 2: Historical Performance and Growth Forecast for the SDSSF Industry, 2017-2023

Year	Industry Size (Revenue) (RM billion)	Growth Rate (%)
2017	23.83	-
2018	24.90	4.5
2019	26.89	4.5
2020	28.64	5.0
2021	30.07	6.0
2022	31.57	6.5
2023	33.15	6.5

CAGR (2019-2023) (base year of 2018): 5.9%

Source: Protégé Associates

3.1 Demand and Supply Conditions

3.1.1 Demand Conditions

The SDSSF industry is expected to be supported by the Government's on-going efforts to drive the growth of the steel-dependent industries through various policies and incentives. The construction industry which is one of the heavy consumers of steel products is also expected to ride on its growth momentum with the sustained demand from infrastructure projects. In Budget 2019, the Government embarked on a path of fiscal consolidation. As a result, a number of projects have been cancelled, delayed or suspended. For examples, the Multi-Product Pipeline (a 600-kilometre multi-product petroleum pipeline connecting Melaka and Port Dickson with Jitra, Kedah), Trans-Sabah Gas Pipeline (a 662-kilometre gas pipeline connecting the Kimanis Gas Terminal with Sandakan and Tawau) and the MRT 3 projects have been cancelled. The implementation of the Kuala Lumpur-Singapore High-Speed Rail ("HSR") project has also been suspended. Nonetheless, the Government has continued to give higher priority to projects which can deliver high economic multiplier effects. Infrastructure development has been viewed by the Malaysian Government as the catalyst to all economic and social development. Therefore, the East

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Coast Rail Link ("ECRL"), Mass Rapid Transit ("MRT") 2 and the Light Rapid Transit ("LRT") 3 projects are allowed to continued albeit at reduced costs.

The Malaysian Government is looking to upgrade and undertake restoration works for railway tracks with an allocation of RM2.46 billion. Besides that, a sum of RM926 million has been allocated for building and upgrading roads, rural roads and bridges while a sum of RM85 million has been allocated to New Villages for upgrading and maintaining basic infrastructure such as roads and community halls. New Villages is a village rejuvenation programme implemented by the Government to revive local industries and preserve heritage and historical values of aging buildings in small towns and villages. The affordable housing projects will also continue to receive close attention from the Government. Thus, we expected resilient consumption of steel products such as construction grade bars in tandem with the sustained growth in the construction sector.

Malaysia has also benefitted from huge and continuous investments made in the manufacturing sector. The country is home to most leading MNCs that continue to use the country as their main manufacturing hub for high value added products and activities. The resultant increase in manufacturing activities in particular those within the fabricated metal products, machinery and equipment and automotive sectors has directly contributed to further development and growth of the local SDSSF industry as local players rise to support demand for more steel and steel products.

The SDSSF industry provides a value added service to industrial end-users of steel. Such value added steel processing services enhance the flexibility in the usage of steel by permitting customisation on physical qualities – making it more useful, versatile and adaptable to the needs of various markets. These steel processing services enable industrial end-users to get desired qualities, shapes and sizes of steel products. The demand for such value added services has been increasing as more industrial end-users begin to appreciate the potential cost and time savings from not directly owning specialised steel servicing equipment.

3.1.2 Supply Conditions

With the advancement in technology, more sophisticated secondary steel forming machineries and tools are expected to be rolled-out to meet the ever increasing demand from the industrial end-users. These machineries are expected to facilitate the rate of adoption of SDSSF services.

The iron and steel industry in Malaysia is dependent on steel scrap as raw material for steel forming, and thus it is susceptible to changes in the supply and price of steel scrap. The price of steel scrap is expected to increase as a result of the United States' ("US") impose tariff on the steel and aluminium imports. As the US is a major exporter of steel scrap, the proposed tariff may drive up the domestic steel prices in the US, which may cause a surge in the global steel scrap price.

3.2 Prospects and Outlook of the SDSSF Industry in Malaysia

The SDSSF industry is currently in a period of growth, and is expected to continue on a resilient path for the next few years. The size of the SDSSF industry stood at RM24.90 billion in 2018 and is forecast to reach RM33.15 billion in 2023, representing a CAGR of 5.9% for the 2019 to 2023 period.

The positive outlook for the SDSSF industry steams mainly from factors such as Government's on-going efforts to drive the growth of the steel-dependent industries. The construction sector which is one of the heavy consumers of steel products is expected to ride on its growth momentum with the on-going infrastructure projects such as the ECRL, MRT2 and LRT3, the affordable housing projects as well as restoration works for railway tracks. In addition, the concentration of MNC's manufacturing hubs in Malaysia helps to drive demand for SDSSF services. The Government continue to support the growth of these steel-dependent industries through various policies and incentives. The availability of customisation and flexibility of processing services offered by market players are able to meets the needs of various end-users industries.

On the supply side, the advancement in technology for secondary steel forming machineries facilitates the adoption of SDSSF services. The downside risk is the potential increase in the global steel scrap price as a result of increase in the domestic steel prices in US, a major exporter of steel scrap. However, it is highly unlikely that the steel scrap price will surge given the slowing global economy and on-going trade war between the US and China.

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