

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ECONFRAME BERHAD ("ECONFRAME" OR THE "COMPANY") DATED 5 OCTOBER 2020 ("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 IPO Shares are subject to Malaysian law. Bursa Securities, M&A Securities, the Promoters and Econframe named in the Electronic Prospectus take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the IPO Shares 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 IPO Shares, 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 5 October 2020** and will close at **5.00 p.m. on 12 October 2020**. In the event the Closing Date is extended, Econframe will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

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.



ECONFRAME BERHAD

Registration No. 201901042935 (1352265-T)
(Incorporated in Malaysia under the Companies Act, 2016)

No. 1, Jalan Sungai Rasau 27A
Kaw. 16, Kaw. Perindustrian Sungai Rasa
41300 Klang, Selangor Darul Ehsan
Malaysia

Tel: +603 3348 7268
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www.econframe.com



ECONFRAME BERHAD
(Registration No. 201901042935 (1352265-T))
(Incorporated in Malaysia under the Companies Act, 2016)

PROSPECTUS



ECONFRAME BERHAD
(Registration No. 201901042935 (1352265-T))
(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 65,000,000 NEW ORDINARY SHARES IN OUR COMPANY (“**SHARES**”) IN THE FOLLOWING MANNER:
 - 16,250,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 3,250,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES;
 - 13,000,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
 - 32,500,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA
- (II) OFFER FOR SALE OF 32,500,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS, AT AN ISSUE PRICE OF RM0.28 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT



M&A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA (“**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 154.

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 5 OCTOBER 2020

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 10 July 2020. 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 29 July 2020 approved the resultant equity structure of our Company under the equity requirements of 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 31 August 2019. 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.

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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:

Event	Date
Issuance of this Prospectus/Opening of Application	5 October 2020
Closing Date / Closing of Application	12 October 2020
Balloting of Application	15 October 2020
Allotment of IPO Shares to successful applicants	22 October 2020
Date of Listing	27 October 2020

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 are defined under "Definitions" commencing from page vii.

All references to "Econframe" and "Company" in this Prospectus are to Econframe Berhad. 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 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 the Management. 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;
- (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
- (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 11 – "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.

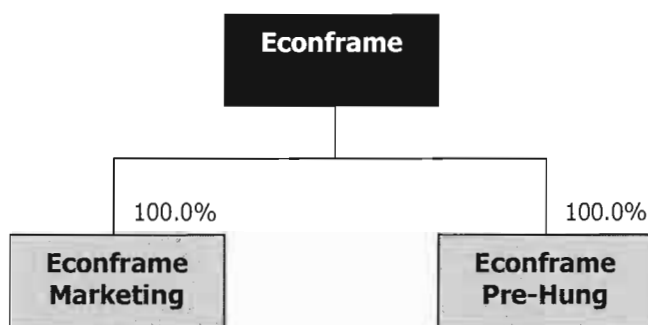
DEFINITIONS

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:

Econframe or Company	:	Econframe Berhad (Registration No. 201901042935 (1352265-T))
Econframe Group or Group	:	Econframe and its subsidiaries, collectively
Econframe Marketing	:	Econframe Marketing Sdn Bhd (Registration No. 200101021288 (557046-U)), a wholly-owned subsidiary of Econframe
Econframe Pre-Hung	:	Econframe Pre-Hung Doors Sdn Bhd (Registration No. 201001002657 (887237-V)), a wholly-owned subsidiary of Econframe

A diagrammatic illustration of our Group structure is as follows:



INTERNAL RESTRUCTURING:

Acquisitions	:	Collectively, the following: (i) Acquisition of Econframe Marketing; and (ii) Acquisition of Econframe Pre-Hung
Acquisition of Econframe Marketing	:	Acquisition by Econframe of the entire equity interest of Econframe Marketing for a purchase consideration of RM24,230,000.00 which was wholly satisfied by the issuance of 242,300,000 new Econframe Shares at an issue price of RM0.10 each, which was completed on 1 August 2020
Acquisition of Econframe Pre-Hung	:	Acquisition by Econframe of the entire equity interest of Econframe Pre-Hung for a purchase consideration of RM1,769,990.00 which was wholly satisfied by the issuance of 17,699,900 new Econframe Shares at an issue price of RM0.10 each, which was completed on 1 August 2020

DEFINITIONS (Cont'd)

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act, 2016 as amended from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
Adviser or Sponsor or Placement Agent or Underwriter	:	M&A Securities
AGM	:	Annual General Meeting
Application	:	Application for Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Printed application form for the application of Issue Shares accompanying this Prospectus
ATM(s)	:	Automated Teller Machine(s)
Board	:	Board of Directors of Econframe
Building By-Laws	:	Uniform Building By-Laws, 1984
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
BOMBA	:	Malaysian Fire and Rescue Services Department
CAGR	:	Compound annual growth rate
CCC	:	Certificate of completion and compliance issued by the principal submitting person
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
CF	:	Certificate of fitness for occupation issued by the local authorities
Closing Date	:	The date adopted in this Prospectus as last date for acceptance and receipt of Application
CMSA	:	Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
Constitution	:	Constitution of our Company

DEFINITIONS (Cont'd)

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
D&D	:	Design and development
EBIT	:	Earnings before interest and tax
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Econframe Marketing Vendors	:	Lim Chin Horng and Lim Saw Nee, collectively
Econframe Pre-Hung Vendors	:	Lim Chin Horng and Khoo Soon Beng, collectively
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 our Issue Shares through a Participating Financial Institution's ATM(s)
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
FPE(s)	:	Financial periods ended 31 May, as the case may be
FYE(s)	:	Financial years ended/ending 31 August, as the case may be
GP	:	Gross profit
IFRS	:	International Financial Reporting Standards
IMR or Smith Zander	:	Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V)), our Independent Market Researcher
IMR Report	:	IMR Report dated 7 September 2020 on the metal door frame and door industry in Malaysia prepared by Smith Zander
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for Internet Share Application as listed in Section 15.6
Internet Share Application	:	Application for Issue Shares through an online share application service provided by the Internet Participating Financial Institution(s)
IPO	:	Our initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	Issue/offer price of RM0.28 per Issue/Offer Share

DEFINITIONS (Cont'd)

IPO Share(s)	:	The Issue Share(s) and Offer Share(s), collectively
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Issue Share(s)	:	New Share(s) to be issued under the Public Issue
ISO	:	International Organisation for Standardisation
Listing	:	Listing of and quotation for our entire enlarged share capital of RM44,200,090 comprising 325,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Listing Scheme	:	Comprising the Public Issue, Offer for Sale and Listing, collectively
LPD	:	6 September 2020, being the latest practicable date for ascertaining certain information contained in this Prospectus
M&A Securities	:	M&A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
Malaysian Public	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	Any day(s) 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
MPK	:	Majlis Perbandaran Klang
MT	:	Metric tonne
NA	:	Net assets
NBV	:	Net book value
Offer of Sale	:	Offer for sale of 32,500,000 Offer Shares by our Selling Shareholders at the IPO Price
Offer Share(s)	:	Existing Share(s) to be offered under the Offer for Sale
Participating Institution(s)	Financial	Participating financial institution(s) for Electronic Share Application as listed in Section 15.5

DEFINITIONS (Cont'd)

PAT	:	Profit after tax
PATMI	:	Profit after tax after minority interest
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
Pink Form Allocations	:	Allocation of 3,250,000 Issue Shares to our eligible Directors and employees, which forms part of our Public Issue
PPE	:	Property, plant and equipment
Promoters	:	Lim Chin Horng and Lim Saw Nee, collectively
Prospectus	:	This prospectus dated 5 October 2020 in relation to our IPO
Public Issue	:	Public issue of 65,000,000 Issue Shares at our IPO Price
ROC	:	Registrar of Companies
SC	:	Securities Commission Malaysia
SOCSSO	:	Social Security Organisation, Malaysia
Selling Shareholders	:	Collectively, Lim Chin Horng and Lim Saw Nee, who are undertaking the Offer for Sale
Share(s) or Econframe Share(s)	:	Ordinary share(s) in Econframe
SICDA	:	Securities Industry (Central Depositories) Act, 1991 as amended from time to time
SIRIM	:	SIRIM QAS International Sdn Bhd (Registration No. 199601037981 (410334-X))
sq ft	:	Square feet
Structure Permit	:	Temporary structure permit issued by MPK under the Building By-Laws on the extension to the front, side and back portions of the original structure of Factory 1, Factory 2, Factory 3 and Factory 4, which include, but not limited to metal decking roofs over the existing factories, metal louvers, metal frame partition walls, storage cabins, septic tanks and toilet as permitted temporary structures for a period of 10 years pursuant to a letter dated 11 June 2019. The permit is to be renewed annually
Underwriting Agreement	:	Underwriting agreement dated 25 August 2020 entered into between Econframe and M&A Securities for the purpose of our IPO
Vendors	:	Collectively, Econframe Marketing Vendors and Econframe Pre-Hung Vendors

DEFINITIONS (Cont'd)

FACTORIES OWNED BY OUR GROUP:

- Factory 1 : A freehold factory owned by Econframe Marketing with a postal address at No. 1, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor that we currently utilise as the manufacturing facility for our metal door frames and head office. It is located next to Factory 2
- Factory 2 : A freehold factory owned by Econframe Marketing with a postal address at No. 3, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor that we currently utilise as the manufacturing facility for our metal door frames and head office. It is located next to Factory 1
- Factory 3 : A freehold factory owned by Econframe Marketing with a postal address at No. 4, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor that we currently utilise as the manufacturing facility for our metal door frames. It is located opposite Factory 1 and Factory 2
- Factory 4 : A freehold factory owned by Econframe Marketing with a postal address at No. 102, Jalan 27, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor that we currently utilise as the manufacturing facility for our fire resistant door sets, metal doors and warehouse. It is located within close proximity to Factory 1, Factory 2 and Factory 3




CURRENCIES:

- RM and sen : Ringgit Malaysia and sen respectively
- RMB : Renminbi

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TECHNICAL GLOSSARY

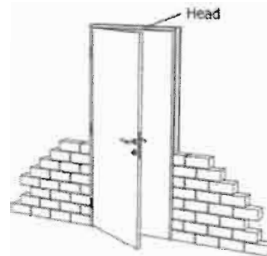
This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

- Bill of Quantities ("BQ") : A bill of quantities is a document prepared by the quantity surveyor that lists out the quantities of supplies required for a specific project in accordance with the building design as stipulated by the architect, engineers and/or property developer. The BQ is also used for tendering purposes by main contractors to prepare the tender based on the quantities of supplies specified. The quantities may be measured in number, length, area, volume, weight or time
- Computer-Aided Design ("CAD") : A computer software used in creating drawings or technical illustrations of metal door frames
- Computer Numerically Controlled ("CNC") : A computer software with programmed instructions used in machines to perform tasks in a precise manner such as bending and shaping of metal sheets
- Cylindrical lock : A lockset designed to be installed through the door with a knob on either side of the door that retracts the latch when the knob is turned 
- Deadbolt lock : A lockset that can only be locked or unlocked by a key, a knob or both 
- Door viewer : A door viewer is a small peephole opening through a door allowing an individual to look from the inside to the outside
- Drywall : A board made of multiple thick sheets with a layer of plaster pressed in between, used in the construction of walls and ceilings
- Electro-galvanised steel coil : A roll of steel sheet coated with a layer of zinc through an electrochemical process for resistance against corrosion
- Euro profile cylinder : A lockset which uses a single piece of cylindrical metal to connect both sides of the lock 
- Fire seal (i.e. intumescent strip) : A strip used to seal around the edges of a fire resistant door and sealing the gap between the door and the door frame in the event of a fire to trap smoke in the area, preventing it from spreading
- Flush frame : A frame that is completely level and even with the surface of a wall
- Galvanised steel sheet : A steel sheet coated with a layer of zinc by dipping the steel sheets into molten zinc for resistance against corrosion

TECHNICAL GLOSSARY (Cont'd)

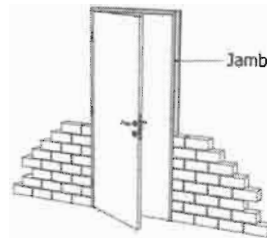
Galvanneal : A type of galvanised steel sheet that passes through a low pressure and high volume jet of air which blows off excess zinc coating and then heated in a furnace to induce stronger bonding of the layer of zinc with the surface of the steel sheets

Head : A horizontal plank that spans the top of a door frame

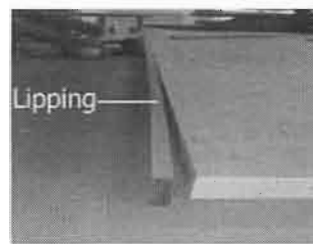


Ironmongery : A door system component made from steel, stainless steel, brass or aluminium comprising locksets and door accessories

Jamb : A vertical part of a door frame where the door (swinging panel of the door) is attached on

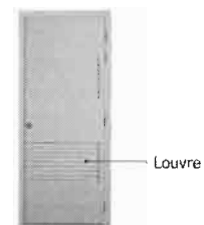


Lipping : A strip of wood that covers the edge of a door to conceal the inner core



Lockset : A set of ironmongery which forms the locking mechanism of the door

Louvre : A window with flat sloping pieces made of wood, metal or glass that are angled to allow light and air in while keeping rain out



Metalworking : A process of making or shaping individual components or structures out of metal

TECHNICAL GLOSSARY (Cont'd)

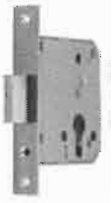

- Mortise lock : A lockset that is embedded into a mortise (also known as a pocket) which is a hole cut out of the edge of the door which can only be locked and unlocked using a key
- 
- Original Equipment Manufacturer ("OEM") : A contract manufacturer who manufactures products to be sold by their customers under their customers' own brands
- Panic device : A door opening mechanism which allows users to open a door by pushing a bar
- 
- Press brake : A machine for bending and shaping metal sheets
- Protruding frame : A frame that extends above the surface of a wall
- Punch press : A machine for cutting and shaping metal sheets
- Shear wall : A wall which is reinforced and made of rigid vertical panels built to withstand lateral forces (i.e. forces that acts in the direction parallel to the ground) acting on it, usually used as exterior walls of multi-storeyed or tall buildings
- Silicone sealant : A liquid form of adhesive which is resistant to water and air penetration, used to seal the joints of the welded edges of a metal door frame and metal door
- SuperDyma® : A type of galvanised steel coated with a layer of zinc-aluminium coating of 86.0% zinc, 11.0% aluminium, 3.0% magnesium and trace amount of silicon
- Vision panel : A vision panel is a small window in a door which allows people to look through without opening the door
- Welding : A process of joining metal parts together through heating and melting
- Zincalume® : A type of galvanised steel coated with a layer of zinc-aluminium coating of 43.5% zinc, 55.0% aluminium and 1.5% silicon
- 2 hours FRD : 2 hours fire resistance duration

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Robert Koong Yin Leong	Independent Non- Executive Chairman	B1-106 Lily & Rose Apartment Jalan SS26/12 Taman Mayang Jaya 47301 Petaling Jaya Selangor	Malaysian/ Director	Male
Lim Chin Horng	Managing Director	59, Jalan Makyong 6B/KU5 Bandar Bukit Raja 41050 Klang Selangor	Malaysian/ Director	Male
Khoo Soon Beng	Executive Director	17, Jalan Makyong 6B/KU5 Bandar Bukit Raja 41050 Klang Selangor	Malaysian/ Director	Male
Lim Saw Nee	Non-Independent Non-Executive Director	3, Jalan Kelicap 41 Kawasan 17 Off Jalan Meru 41050 Klang Selangor	Malaysian/ Director	Female
Tan Hock Soon	Independent Non- Executive Director	51, Jalan BU 6/13 Bandar Utama 47800 Petaling Jaya Selangor	Malaysian/ Director	Male
Ilham Fadilah Binti Sunhaji	Independent Non- Executive Director	24, Jalan Timah 7/25 Seksyen 7 40000 Shah Alam Selangor	Malaysian/ Director	Female

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1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Tan Hock Soon	Chairman	Independent Non-Executive Director
Robert Koong Yin Leong	Member	Independent Non-Executive Chairman
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Robert Koong Yin Leong	Chairman	Independent Non-Executive Chairman
Tan Hock Soon	Member	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Ilham Fadilah Binti Sunhaji	Chairman	Independent Non-Executive Director
Tan Hock Soon	Member	Independent Non-Executive Director
Robert Koong Yin Leong	Member	Independent Non-Executive Chairman

REGISTERED OFFICE

: Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

HEAD OFFICE

: No. 1, Jalan 27A
Kawasan 16
Sungai Rasau Industrial Area
41300 Klang, Selangor

Telephone number: 03-3348 7268

EMAIL ADDRESS AND WEBSITE

: Email address: sales@econframe.com
Website: http://www.econframe.com

ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT

: **M&A Securities Sdn Bhd**
(Registration No. 197301001503 (15017-H))

Level 11, 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Chua Siew Chuan (MAICSA 0777689)
SSM PC No. 201908002648
(Chartered Secretary, Fellow of Malaysian Institute of Chartered Secretaries and Administrators)
- Cheng Chia Ping (MAICSA 1032514)
SSM PC No. 202008000730
(Chartered Secretary, Associate of Malaysian Institute of Chartered Secretaries and Administrators)
- Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
- Telephone number: 03-2084 9000
Fax number: 03-2094 9940/ 03-2095 0292
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR IPO** : **Baker Tilly Monteiro Heng PLT**
(LLP number: 201906000600 (LLP0019411-LCA))
(Firm number: AF 0117)
- Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
- Partner-in-charge: Dato' Lock Peng Kuan
Approval number: 02819/10/2020 J
(Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants)
- Telephone number: 03-2297 1000
- INDEPENDENT MARKET RESEARCHER** : **Smith Zander International Sdn Bhd**
(Registration No. 201301028298 (1058128-V))
- 15-01, Level 15
Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
- Telephone number: 03-2732 7537
- Managing Partner's name: Dennis Tan Tze Wen
(Bachelor of Science from Memorial University of Newfoundland, Canada)

1. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE : **Tricor Investor & Issuing House Services Sdn Bhd**
(Registration No. 197101000970 (11324-H))

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: 03-2783 9299

SHARE REGISTRAR : **Securities Services (Holdings) Sdn Bhd**
(Registration No. 197701005827 (36869-T))

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Telephone number: 03-2084 9000/ 03-2084 9168

SOLICITORS FOR OUR IPO : **Ilham Lee**

C3-5-2, Solaris Dutamas
1, Jalan Dutamas 1
50480 Kuala Lumpur

Telephone number: 03-6211 3221

LISTING SOUGHT : ACE Market

SHARIAH STATUS : Approved by the 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 RELATING TO OUR 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.

Allocation	No. of Shares	% ⁽¹⁾
Public Issue		
Malaysian Public ⁽²⁾	16,250,000	5.0
Eligible Directors and employees	3,250,000	1.0
Private placement to selected investors	13,000,000	4.0
Private placement to Bumiputera investors approved by MITI	32,500,000	10.0
Offer for sale		
Private placement to selected investors	32,500,000	10.0
Enlarged number of Shares upon Listing	325,000,000	
IPO Price per Share	RM0.28	
Market capitalisation (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	RM91,000,000	

Notes:

(1) Based on our enlarged share capital of 325,000,000 Shares after our IPO.

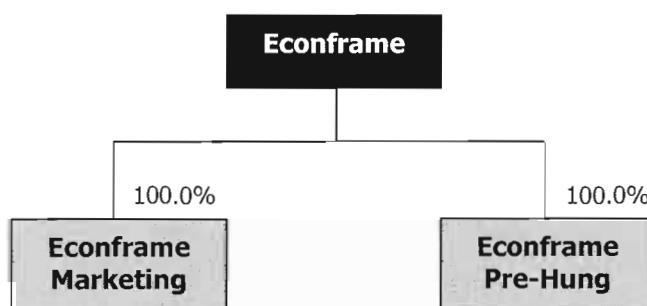
(2) 8,125,000 Shares will be set aside strictly for Bumiputera public investors.

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters. Further details of the moratorium are set out in Section 3.2. Save for the moratorium imposed on the Shares held by our Promoters, there is no other moratorium imposed on our Shares.

Further details of our IPO are set out in Section 4.3.

2.2 GROUP STRUCTURE AND BUSINESS MODEL

We were incorporated in Malaysia on 27 November 2019 under the Act as a private limited company, and subsequently converted into a public limited company on 21 February 2020. We were incorporated to facilitate the Listing. After the Acquisitions, our Group structure is as follows:

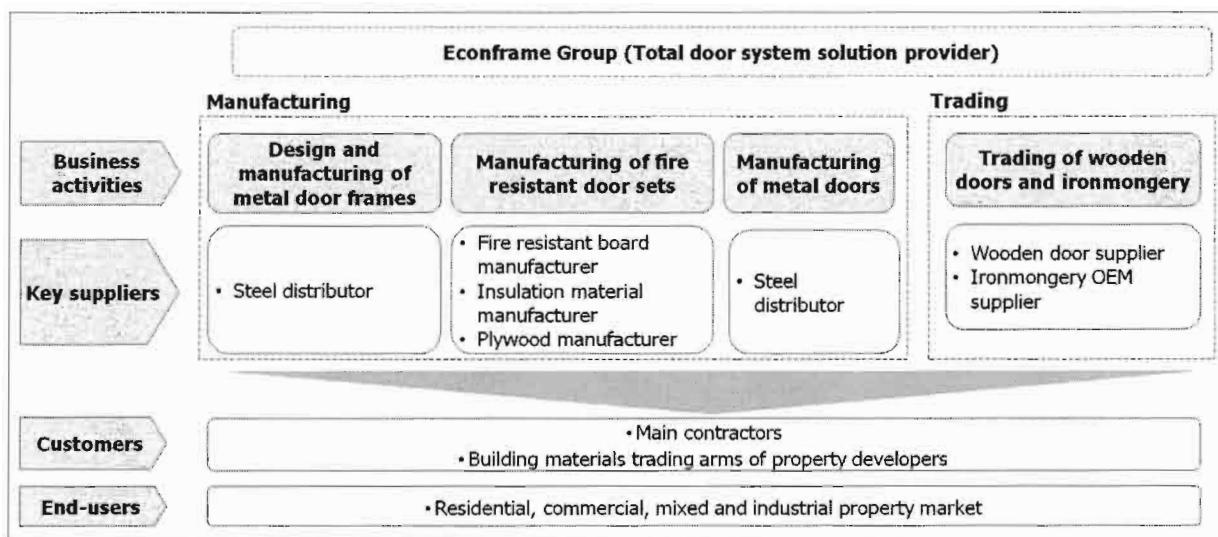


2. PROSPECTUS SUMMARY (Cont'd)

Through our subsidiaries, we are principally involved in the following activities:

- (i) Design and manufacturing of metal door frames;
- (ii) Manufacturing of fire resistant door sets;
- (iii) Manufacturing of metal doors; and
- (iv) Trading of wooden doors and ironmongery.

The following diagram illustrates our Group's business model:



Our principal market is Malaysia. Our products are mainly sold on project basis to main contractors and building materials trading arms of property developers in Malaysia.

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

2.3 COMPETITIVE STRENGTHS

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

- (i) **We are a total door system solution provider for residential, commercial, mixed and industrial properties**

We are able to provide complete door sets as a one-stop provider, allowing our customers to purchase complete door sets for use in different parts of the property which saves them time and effort from having to deal with multiple suppliers.

- (ii) **We have a strong portfolio with notable property developers and construction companies**

We have accumulated a keen interest of end customers who are notable property developers and a strong portfolio of direct customers who are construction companies. As a supplier to property developments by notable property developers and construction companies, we are required to comply to their product and quality control requirements, which is the evidence of our standing as an industry player with proven credentials.

2. PROSPECTUS SUMMARY (Cont'd)

(iii) We have the technical capabilities to design and manufacture metal door frames with customised profiles and dimensions

Our customers can choose from our broad range of off-the-shelf profile selection of 34 profiles or request for customised profile designs. We are able to customise our metal door frames to suit various wall configurations and door specifications.

(iv) Our proven industry track record and reputation is backed by our in-house brands ECONFRAME® and DUROE®

Our in-house brands, namely ECONFRAME® and DUROE®, are recognised by property developers, architects and other professionals involved in construction projects in relation to metal door frames, fire resistant door sets and ironmongery. This provides assurance to our customers on the reliability and quality of our products and serves to further enhance our industry reputation.

(v) We have a management team with strong industry experience

Our Group is led by our Managing Director, Lim Chin Horng who has over 30 years of experience in the metalworking industry, including 19 years in the metal door frame business and backed by a key management team with strong industry experience.

For further details, please refer to Section 7.16.

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 a period of 18 to 24 months from our Listing:

- (i) We intend to capitalise on our fire resistant door manufacturing experience and skills to expand our capabilities to manufacture wooden doors in-house; and
- (ii) We intend to expand our manufacturing capacity by constructing a new factory and upgrade our manufacturing technology through automation with the adoption of advanced robotic technology.

For further details, please refer to Section 7.17.

2.5 INTERRUPTION IN BUSINESS AS A RESULT OF THE MOVEMENT CONTROL ORDER

The government's imposition of the Movement Control Order nationwide from 18 March 2020 to 3 May 2020, as a measure to curb the spread of the Covid-19 virus has halted most economic activities in Malaysia, including our manufacturing operations as we were not considered a critical sector for the supply of essential goods. As at the LPD, we have fully resumed operations at full workforce. The suspension had affected our operations due to the delay in the deliveries of our products as our deliveries are dependent on the progress of the construction of the property developments, which construction was halted during the Movement Control Order. In addition, we also recorded slower generation and close of sales due to limitations in the execution of our sales and marketing activities during the Movement Control Order. Notwithstanding the above, as at the LPD, we have not encountered any cancellation of orders from our customers or disruption in supply from our suppliers.

2. PROSPECTUS SUMMARY (Cont'd)

We expect our financial performance to be affected in terms of delayed revenue recognition for the period of the Movement Control Order, resulting in lower recognition of revenue for the current FYE 2020. At the height of the Covid-19 pandemic, we incurred a loss after tax of approximately RM0.38 million in April 2020 as we still had to incur fixed overhead costs during the period our business was suspended. Nonetheless, with the easing and relaxation of restrictions imposed during the Movement Control Order, we are seeing a gradual recovery in the production and deliveries of our products.

Please refer to Section 7.6 for further details on the interruption in our business arising from the Movement Control Order, Section 9.1.1 for the risk relating to our business operations and profit and Section 11.2.1(xi)(a) for the significant factors affecting our business.

2.6 RISK FACTORS

An investment in our Shares is subject to risks. A summary of some of the more important risks is set out below. Please refer to Section 9 for further details and the full list of our risk factors. Investors should read and understand all the risk factors before making a decision to invest in our Shares.

- (i) Our business operations and profit was affected by the outbreak of the Covid-19 virus and imposition of the Movement Control Order. As we are unable to conduct our business operations during the Movement Control Order, this would result in a lower recognition of revenue for the current financial year as well as delays in the deliveries of our products. At the height of the Covid-19 pandemic, we incurred loss after tax of approximately RM0.38 million in April 2020.
- (ii) We have not entered into any long term contracts with our customers due to the nature of our business. We manufacture based on confirmed orders, which is based on the specific requirements of our customers for different property developments. Any adverse economic conditions or slowdown in the property development industry in which our customers operate may negatively impact our revenue, which will subsequently result in a decline in our financial performance.
- (iii) We rely on skilled workers for our manufacturing operations. As at the LPD, we have 13 foreign workers (who account for 19.4% of our total workforce), all of whom we considered skilled workers. The limited supply of foreign workers imposes a challenge to us and we have found it increasingly difficult to hire local production workers for our manufacturing operations. Any unfavourable changes in the policies on foreign workers and delays in foreign worker registrations may have a material and adverse effect on our operations and financial performance.
- (iv) We are subject to risk of non-renewal or revocation of the Structure Permit issued by MPK to our factories where we have made certain additions to the original structure (which include, but not limited to metal decking roofs over the existing factories, metal louvers, metal frame partition walls, storage cabins, septic tanks and toilets) if there is a breach in any of the conditions attached to the Structure Permit.
- (v) Our fire resistant door sets are tested and certified by SIRIM and approved by BOMBA. As such, failure to renew or maintain these certifications and approvals may result in us being unable to sell our fire resistant door sets.

2. PROSPECTUS SUMMARY (*Cont'd*)

- (vi) We are subject to fluctuation in price of steel coils as a result of the fluctuation in global steel prices. Steel coil is the key material used in the manufacturing of our metal door frames, constituting 71.1% of our cost of sales for metal door frames in the FPE 2020. Any unfavourable changes in the price of steel, may lead to a rise in our cost of production for metal door frames as well as carrying cost for maintaining inventories. If we are unable to pass on the increase in our cost of production to our customers, we will need to bear the increasing costs and this will have a material impact on our financial results.
- (vii) Our Group's manufacturing activities are dependent on various machineries and equipment that allow for shearing, bending, welding, as well as cutting, amongst others. Hence, our business is exposed to sudden and unexpected machineries and equipment failures, flood or fires and burglary, which may lead to interruptions to our manufacturing activities and affect our business operations and financial performance.
- (viii) Our business operations and financial performance is dependent on the performance of the property market in Malaysia. The outlook of the Malaysian property market may be affected by market risks such as political and economic instability of the country, increasing financing cost and fluctuating demand for real estate properties. As such, any adverse changes in the above factors will have a direct impact on the movement and development in the property market in Malaysia.
- (ix) The occurrence of unexpected crises such as political crisis, natural disasters, and disease outbreaks (outbreak of Covid-19 virus), amongst others, in the countries of origin for our required purchases may temporarily disrupt the supply chain for our raw materials purchases. If disruptions persist, we may be required to purchase our raw material supplies from other suppliers which may be at a higher cost, and which will adversely affect our financial performance.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Robert Koong Yin Leong	Independent Non-Executive Chairman
Lim Chin Horng	Managing Director
Khoo Soon Beng	Executive Director
Lim Saw Nee	Non-Independent Non-Executive Director
Tan Hock Soon	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director
Key Senior Management	
Yong Wai Kin	Chief Financial Officer
Lai Shu San	Senior Operation Manager
Yong Chaw Ang	Production Manager
Soi Wen Li	Purchasing Manager
Ang Sze Cie	Production Controller

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

2. PROSPECTUS SUMMARY (*Cont'd*)

2.8 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	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Lim Chin Horng ⁽³⁾	Malaysian	132,412,735	50.9	-	-	112,912,735	34.7	-	-
Lim Saw Nee ⁽³⁾	Malaysian	121,392,300	46.7	-	-	108,392,300	33.4	-	-

Notes:

- (1) Based on our issued share capital of 260,000,000 Shares after completion of the Acquisitions and the transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng before our IPO.
- (2) Based on our enlarged issued share capital of 325,000,000 Shares after our IPO.
- (3) Lim Chin Horng and Lim Saw Nee are siblings. Lai Shu San is the spouse of Lim Chin Horng.

Details of our 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. Thereafter, our Promoters' shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Promoters may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of their shares held under moratorium upon expiry of the second 6-month period.

Further details on the moratorium on our Shares are set out in Section 3.2.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 UTILISATION OF PROCEEDS**

The total estimated gross proceeds to be raised by our Company from the Public Issue of RM18.20 million shall be utilised in the following manner:

	Estimated time frame for utilisation from Listing	RM'000	%
Land acquisition and construction of new manufacturing facility	Within 24 months	5,000	27.5
Automation of manufacturing process	Within 24 months	4,000	22.0
Working capital	Within 6 months	6,200	34.1
Estimated listing expenses	Within 1 month	3,000	16.4
Total		18,200	100.0

There is no minimum subscription to be raised from our IPO. Detailed information on our utilisation of proceeds is set out in Section 4.9.

2.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

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

2.10.1 Combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for the FYEs 2017 to 2019 and FPE 2020 as well as the unaudited combined statements of comprehensive income for the FPE 2019:

	Audited			Unaudited	Audited
	FYE 2017	FYE 2018	FYE 2019	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	35,494	39,834	44,089	33,265	29,977
GP	8,843	9,877	14,614	10,617	9,628
PBT	4,302	6,633	10,607	7,318	5,512
PAT/PATMI	3,110	5,097	8,135	5,600	4,211
GP margin (%)	24.9	24.8	33.1	31.9	32.1
PBT margin (%)	12.1	16.7	24.1	22.0	18.4
PAT/PATMI margin (%)	8.8	12.8	18.5	16.8	14.0
Basic EPS (sen) ⁽¹⁾	1.20	1.96	3.13	2.15	1.62
Diluted EPS (sen) ⁽²⁾	0.96	1.57	2.50	1.72	1.30

Further details on the financial information are set out in Sections 11, 12 and 13.

Notes:

- (1) Calculated based on PAT/PATMI of our Company and issued share capital of 260,000,000 Shares before our IPO.
- (2) Calculated based on PAT/PATMI of our Company and enlarged share capital of 325,000,000 Shares after our IPO.

2. PROSPECTUS SUMMARY (Cont'd)

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

2.10.2 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 statements of financial position as at 31 May 2020 to show the effects of the Internal Restructuring, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read in conjunction with the pro forma consolidated financial information in Section 13.

	Econframe	I	II	III
	As at 31 May 2020	After Acquisitions	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	10,068	10,068	10,068
Total current assets	440	23,402	41,602	39,089
TOTAL ASSETS	440	33,470	51,670	49,157
EQUITY AND LIABILITIES				
Equity				
Share capital	(3)	26,000	44,200	43,300
Reorganisation reserve	-	(25,399)	(25,399)	(25,399)
Other reserve	-	4,220	4,220	4,220
Retained earnings	(499)	25,399	25,399	23,786
TOTAL EQUITY	(499)	30,220	48,420	45,907
Total non-current liabilities	-	2,012	2,012	2,012
Total current liabilities	939	1,238	1,238	1,238
TOTAL LIABILITIES	939	3,250	3,250	3,250
TOTAL EQUITY AND LIABILITIES	440	33,470	51,670	49,157
NA per Share (RM)	(4,992.93)	0.12	0.15	0.14
Borrowings (All interest bearing debts)	-	787	787	787
Gearing (times) ⁽¹⁾	-	0.03	0.02	0.02
Current ratio (times) ⁽²⁾	0.47	18.90	33.60	31.57

Notes:

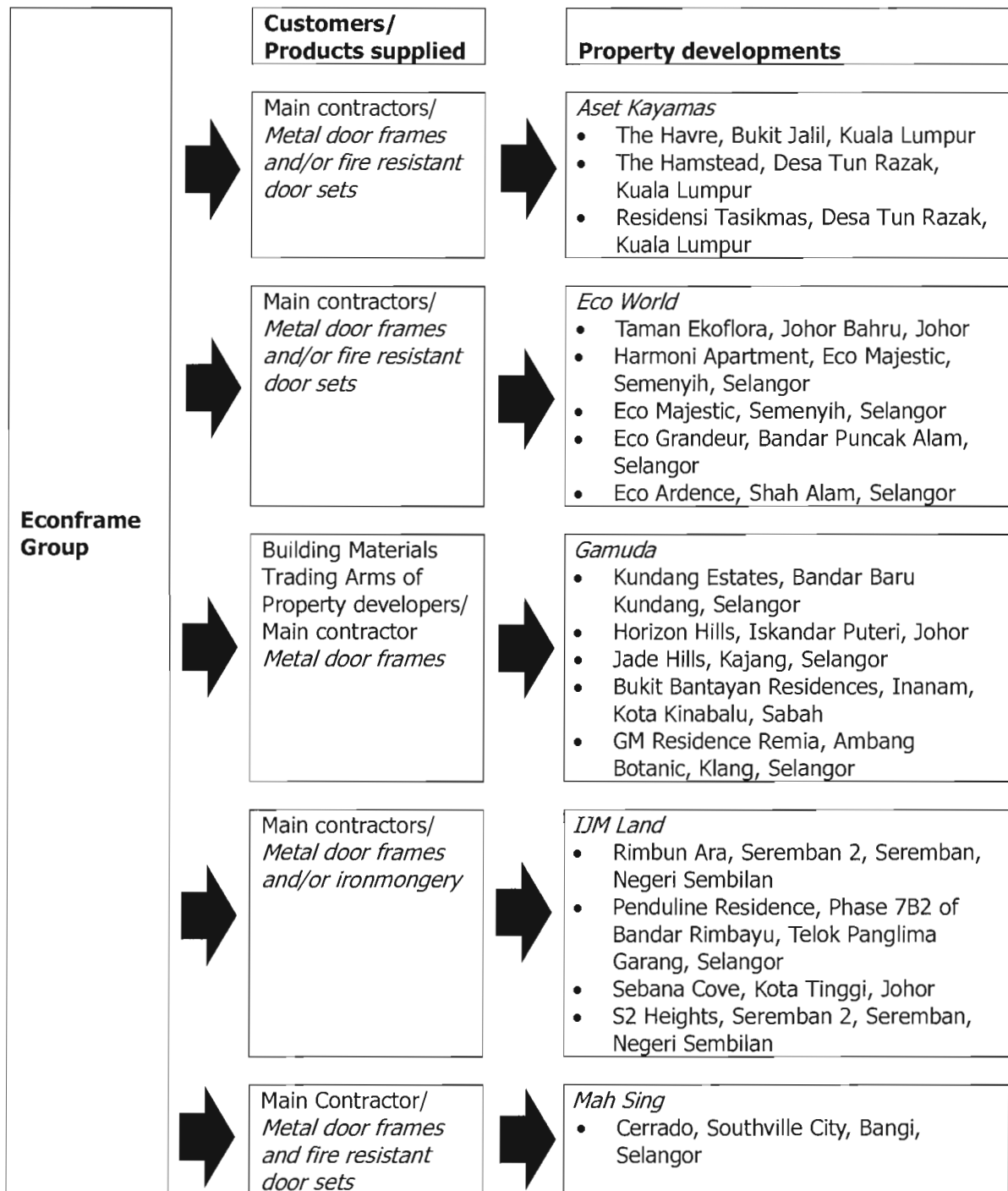
- (1) Calculated based on total borrowings divided by total equity.
- (2) Calculated based on total current assets divided by total current liabilities.
- (3) RM100.

2. PROSPECTUS SUMMARY (Cont'd)

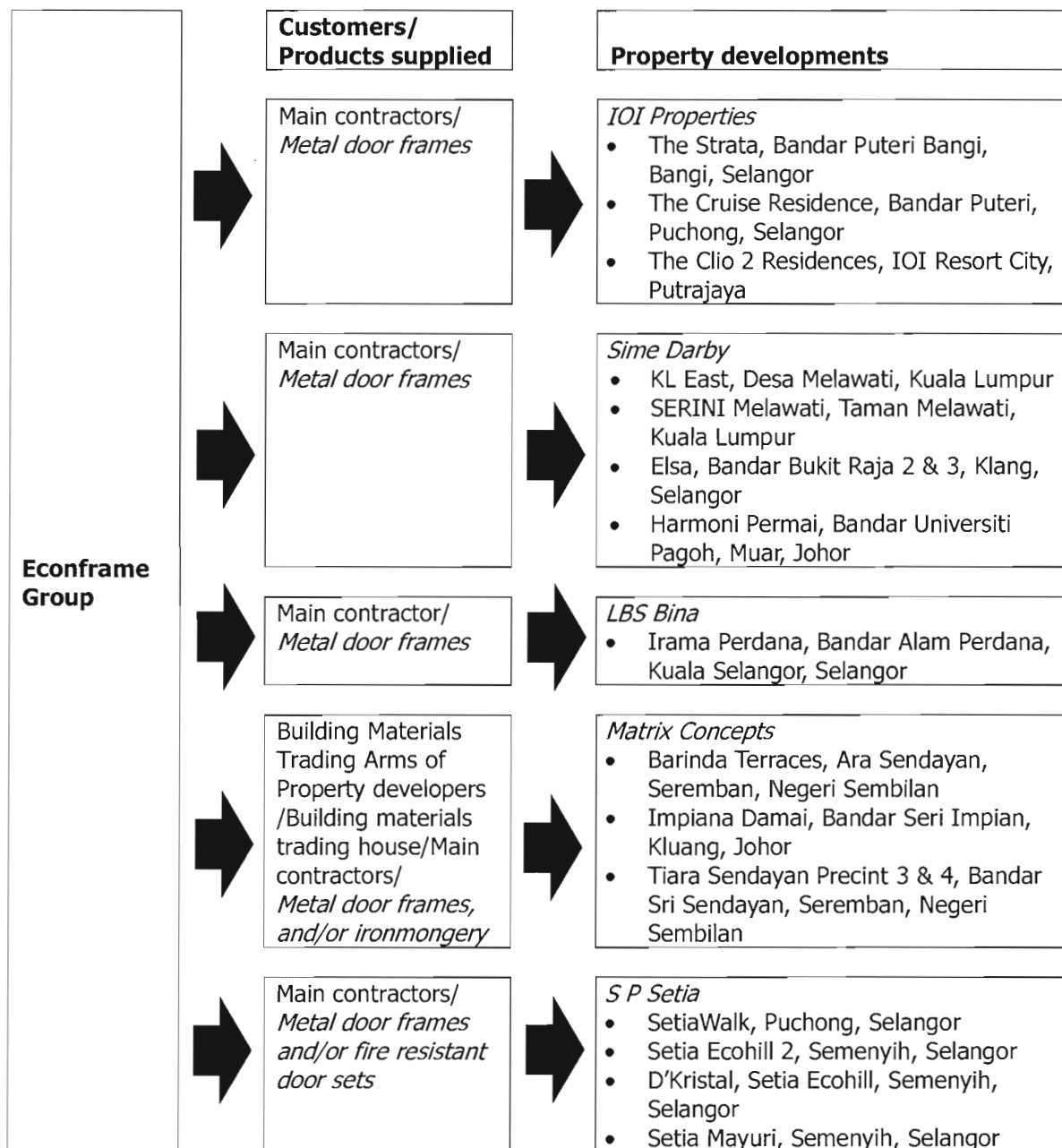
2.10.3 Operational highlights

Our metal door frames, fire resistant door sets, wooden or metal doors and ironmongery are mainly sold to main contractors and building materials trading arms of property developers. Our in-house brands ECONFRAME® and DUROE® are specified in the BQ by certain property developers, architects or contractors on a project-to-project basis as their preferred brand of metal door frames, fire resistant door sets, wooden or metal doors, and/or ironmongery.

Our Group's track record based on some of the various property developments by notable property developers where we supplied our products:



2. PROSPECTUS SUMMARY (Cont'd)



A detailed list of the various property developments by notable property developers where we supplied our products can be found in Section 7.3.

2.11 DIVIDEND POLICY

Our Company does not have any formal dividend policy. As we are a holding company, our Company’s income and therefore our ability to pay dividends is dependent on upon the dividends we receive from our subsidiaries, present or future. The payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

Further details of our dividend policy are set out in Section 11.15.

3. APPROVALS AND CONDITIONS**3.1 APPROVALS AND CONDITIONS****3.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 10 July 2020, 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
1.	Submit the following information in 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
2.	Approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
3.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
4.	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Econframe on the first day of listing;	To be complied
5.	Ensure any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to listing of the Company;	Complied
6.	In relation to the public offering to be undertaken by Econframe, 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 as per the format prescribed; and (iv) Disclosure of placees who become substantial shareholders of Econframe arising from the public offering, if any.	To be complied

3. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of conditions imposed	Status of compliance
7.	Econframe/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

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 29 July 2020, approved the resultant equity structure of Econframe 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)	Econframe 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

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

Category of shareholders	As at 14 February 2020		After the Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera	-	-	⁽¹⁾ 40,625,000	12.5
Non-Bumiputera	100	100.0	284,375,000	87.5
Malaysian	100	100.0	325,000,000	100.0
Foreigners	-	-	-	-
Total	100	100.0	325,000,000	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 investors via public balloting	8,125,000
Private placement to identified Bumiputera investors approved by MITI	32,500,000
Total	40,625,000

The Shariah Advisory Council of the SC had, vide its letter dated 12 August 2020 classified our Shares as shariah-compliant based on the audited combined financial statements for the FYE 2019.

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

3.1.3 MITI

The MITI had, vide its letter dated 29 July 2020, taken note and has no objection to our Listing.

3.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19 of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those Econframe Shares held by our Promoters as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market ("First 6-Month Moratorium");
- (ii) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Promoters' aggregate shareholdings amounting to at least 45.0% the total number of issued ordinary shares remain under moratorium for another period of 6 months ("Second 6-Month Moratorium"); and
- (iii) On the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of those Econframe Shares held under moratorium.

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

Promoters	Moratorium shares during the First 6-Month Moratorium ⁽¹⁾		Moratorium shares during the Second 6-Month Moratorium	
	No. of Econframe Shares	⁽²⁾ %	No. of Econframe Shares	⁽²⁾ %
Lim Chin Horng ⁽³⁾	112,912,735	34.7	74,618,735	23.0
Lim Saw Nee ⁽³⁾	108,392,300	33.4	71,631,300	22.0
Total	221,305,035	68.1	146,250,035	45.0

Notes:

- (1) After the Offer for Sale.
- (2) Based on the enlarged share capital of 325,000,000 Shares after the Public Issue.
- (3) Lim Chin Horng and Lim Saw Nee are siblings.

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 5 October 2020 and will remain open until 5.00 p.m. on 12 October 2020. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative Dates
Opening of Application	5 October 2020
Closing Date of Application	12 October 2020
Balloting of Application	15 October 2020
Allotment of Issue Shares to successful applicants	22 October 2020
Date of Listing	27 October 2020

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 65,000,000 Issue Shares representing 20.0% of our enlarged share capital are offered at the IPO Price and shall be allocated in the following manner:

(a) Malaysian Public

16,250,000 Issue Shares, representing 5.0% of our enlarged share capital are made available for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 8,125,000 Issue Shares made available to public investors; and

(bb) 8,125,000 Issue Shares made available to Bumiputera public investors.

(b) Eligible Directors and employees

3,250,000 Issue Shares, representing 1.0% of our enlarged share capital are reserved for our eligible Directors and employees under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

(c) Private placement to selected investors

13,000,000 Issue Shares, representing 4.0% of our enlarged share capital are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (Cont'd)

(d) Private placement to Bumiputera investors approved by MITI

32,500,000 Issue Shares, representing 10.0% of our enlarged share capital are reserved for private placement to selected Bumiputera investors approved by MITI.

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

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

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4. DETAILS OF OUR IPO (Cont'd)

(ii) Offer for Sale

The Selling Shareholders will undertake an offer for sale of 32,500,000 Offer Shares, representing approximately 10.0% of our enlarged share capital at the IPO Price, by way of private placement to selected investors. The details of our Selling Shareholders are as follows:

Name/ Residential address	Relationship with our Group	As at the LPD		Offer Shares offered		After IPO	
		No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Lim Chin Horng ⁽³⁾ / 59, Jalan Makyong 6B/KU 5 Bandar Bukit Raja 41050 Klang Selangor	Promoter, substantial shareholder and Managing Director	132,412,735	50.9	19,500,000	6.0	112,912,735	34.7
Lim Saw Nee ⁽³⁾ / 3, Jalan Kelicap 41 Kawasan 17 Off Jalan Meru 41050 Klang Selangor	Promoter, substantial shareholder and Non- Independent Non- Executive Director	121,392,300	46.7	13,000,000	4.0	108,392,300	33.4

Notes:

- (1) Based on the share capital of 260,000,000 Shares after completion of the Acquisitions and the transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng before our IPO.
- (2) Based on the enlarged share capital of 325,000,000 Shares after our IPO.
- (3) Lim Chin Horng and Lim Saw Nee are siblings.

4. DETAILS OF OUR IPO (Cont'd)

The Offer for Sale is expected to raise gross proceeds of approximately RM9.10 million which will accrue entirely to the Selling Shareholders and we will not receive any of the proceeds. The Selling Shareholders shall bear all expenses such as stamp duty, placement fee, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.25 million.

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

Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and Directors are set out in Sections 5.1 and 5.2.

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM44,200,090 comprising 325,000,000 Shares shall be listed on the ACE Market.

4.3.2 Pink Form Allocations

We have allocated 3,250,000 Issue Shares to eligible Directors and employees of our Group under Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares
Eligible Directors	4	550,000
Eligible employees	30	2,700,000
Total	34	3,250,000

Pink Form Allocations which are not accepted by certain eligible Directors and employees of our Group will be re-allocated to our other eligible Directors as set out in the table below and eligible employees at the discretion of our Board.

Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others, length of their service and their anticipated contribution to our Group. Our Managing Director (Lim Chin Horng) and Non-Independent Non-Executive Director (Lim Saw Nee) have opted not to participate in the Pink Form Allocations.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares
Directors		
Robert Koong Yin Leong	Independent Non-Executive Chairman	50,000
Khoo Soon Beng	Executive Director	400,000
Tan Hock Soon	Independent Non-Executive Director	50,000
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director	50,000
		550,000

4. DETAILS OF OUR IPO (Cont'd)

Allocation to eligible employees

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

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

Name	Designation	No. of Issue Shares
Key senior management		
Yong Wai Kin	Chief Financial Officer	100,000
Lai Shu San	Senior Operation Manager	400,000
Yong Chaw Ang	Production Manager	400,000
Soi Wen Li	Purchasing Manager	300,000
Ang Sze Cie	Production Controller	300,000
		1,500,000

4.3.3 Underwriting arrangement

Our Underwriter will underwrite 19,500,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 45,500,000 Issue Shares and 32,500,000 Offer Shares reserved for private placement to selected investors and Bumiputera investors approved by MITI have been placed out by our Placement Agent and will not be underwritten.

Any of our Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations (after the re-allocation) will be made available to selected investors via private placement.

Any of our Issue Shares not subscribed or accepted by Bumiputera investors approved by MITI under the private placement as stated in Section 4.3.1(d) above will be made available for subscription by the Bumiputera general public via the balloting process. The said Issue Shares may also be offered to institutional investors before being made available to the Bumiputera general public, depending on the prevailing interest on our Shares by institutional investors.

However, if all Issue Shares offered to the Malaysian Public are oversubscribed, the Issue Shares not subscribed for under the Pink Form Allocations (if any), will be made available for application by the Malaysian Public. 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. DETAILS OF OUR IPO (Cont'd)

4.3.4 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 Issue Shares will be the number of Issue Shares required to be held by public shareholders to comply with the public spread requirements under 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 Issue Shares will be allocated on a fair and equitable manner.

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

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	260,000,000	26,000,090
To be issued under Public Issue	65,000,000	18,200,000
Enlarged share capital upon Listing	325,000,000	44,200,090

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

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

Subject to any 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 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 1 vote for each ordinary share held.

4. DETAILS OF OUR IPO (Cont'd)

4.5 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) To enable our Group to raise funds for the purposes specified in Section 4.9;
- (ii) To gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products, retention of our employees, expansion of our client base, and to attract new talents;
- (iii) To increase the brand visibility of ECONFRAME® and DUROE® in the metal door frame and door industry in Malaysia;
- (iv) To provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity; and
- (v) 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 and 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) PE Multiple of approximately 11.2 times based on our audited combined EPS of 2.50 sen for the FYE 2019, calculated based on our audited combined PAT of RM8.14 million and enlarged share capital of 325,000,000 Shares upon Listing;
- (ii) Our pro forma consolidated NA per Share as at 31 May 2020 after the Acquisitions, Public Issue and utilisation of proceeds of RM0.14, calculated based on our pro forma audited consolidated NA as at 31 May 2020 of RM45.91 million and enlarged share capital of 325,000,000 Shares upon Listing;
- (iii) Our historical financial track record as summarised below:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	35,494	39,834	44,089	29,977
GP	8,843	9,877	14,614	9,628
PAT/PATMI	3,110	5,097	8,135	4,211
EPS (sen) ⁽¹⁾	1.20	1.96	3.13	1.62

Note:

- (1) Calculated based on PAT/PATMI of the respective FYEs and FPE over our enlarged number of shares of 260,000,000 Shares in issuance before our IPO.
- (iv) Our competitive strengths as set out in Section 7.16; and
- (v) Our Group's business strategies as set out in Section 7.17.

4. DETAILS OF OUR IPO (Cont'd)

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

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 325,000,000 Shares, our total market capitalisation is estimated to be RM91,000,000 upon Listing.

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	0.28
Pro forma consolidated NA per Share as at 31 May 2020 after Acquisitions before Public Issue	0.12
Pro forma consolidated NA per Share as at 31 May 2020 after Acquisitions, Public Issue and utilisation of proceeds	0.14
Increase in pro forma consolidated NA per Share attributable to existing shareholders	0.02
Dilution in pro forma consolidated NA per Share to new public investors	0.14
Dilution in pro forma consolidated NA per Share as a percentage of IPO Price	50.0%

Further details of our pro forma consolidated NA per Share as at 31 May 2020 is set out in Section 13.

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
Lim Chin Horng	⁽²⁾ 132,412,735	13,241,263.50	0.10
Lim Saw Nee	121,392,300	12,139,230.00	0.10
Khoo Soon Beng	6,194,965	619,496.50	0.10
	260,000,000	25,999,990.00	

Notes:

4. DETAILS OF OUR IPO (Cont'd)

Save for the:

- (i) Transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng; and
- (ii) Shares received by our Promoters (Lim Chin Horng and Lim Saw Nee) and Executive Director (Khoo Soon Beng) under the Acquisitions,

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 the LPD.

4.9 UTILISATION OF PROCEEDS

The estimated gross proceeds arising from our Public Issue of RM18.20 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Note	RM'000	%	Estimated timeframe for utilisation from Listing
Land acquisition and construction of new manufacturing facility	(i)	5,000	27.5	Within 24 months
Automation of manufacturing process	(ii)	4,000	22.0	Within 24 months
Working capital	(iii)	6,200	34.1	Within 6 months
Estimated listing expenses	(iv)	3,000	16.4	Within 1 month
		18,200	100.0	

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

As at the LPD, our Group operates out of Factory 1, Factory 2, Factory 3 and Factory 4 located in Sungai Rasau Industrial Area, Klang with a combined built-up area of approximately 39,000 sq ft, currently utilised by our Group as follows:

Office (sq ft)	Manufacturing (sq ft)	Warehousing (sq ft)	Total (sq ft)
7,000	25,000	7,000	39,000

Our current manufacturing set-up in Factory 1, Factory 2, Factory 3 and Factory 4 is not optimised for the manufacturing of our products, which are generally bulky, due to the following:

- Machines for different stages of the manufacturing process are located in separate factories.

4. DETAILS OF OUR IPO (Cont'd)

- Limited production floor space which restricts our manufacturing workflow as machines are placed close to one another with limited space for manufacturing, storing and movement of work-in-progress products from one machine to another through each stage of the manufacturing process. This affects our manufacturing workflow as unnecessary time and manpower is utilised to maneuver our products within the limited space in our factories. Besides, the limited production floor space also increases the chances of any potential safety hazards which may be disruptive to our manufacturing operation.

Further, we made certain additions to the front, side and back portions of the original structure of Factory 1, Factory 2, Factory 3 and Factory 4 which include, but not limited to metal decking roofs over our existing factories, metal louvers, metal frame partition walls, storage cabins, septic tanks and toilets ("Additions"). While these Additions have been approved as permitted temporary structures for a period of 10 years, the Structure Permit is subject to annual renewals. Kindly refer to Section 9.1.4 for further details.

In view of the above and coupled with the expansion in our business in recent years, we have earmarked RM5.00 million of our gross proceeds from the Public Issue to partly finance the acquisition and construction of a new manufacturing facility with built-up area of approximately 65,000 sq ft comprising areas for warehouse, manufacturing, D&D and office areas. The total floor space for manufacturing activities will be approximately 55,000 sq ft.

The approximate costs required for the acquisition of land and construction of new manufacturing facility is as follows:

	RM'000
Land cost	(1)5,000
Building and infrastructure works	3,400
Professional and authority fees	200
	8,600

Note:

- (1) The amount excludes stamp duty and other incidental costs which will be funded via internally-generated funds and/or bank borrowings.

The remaining RM3.60 million required for the above will be funded via our internally-generated funds and/or bank borrowings. If the actual cost exceeds the amount budgeted as above, the deficit will be funded from our internally-generated funds and/or bank borrowings.

Upon completion of the new manufacturing facility, we will relocate all our business operation to the new manufacturing facility. Depending on the property market condition, we may sell or rent out our current manufacturing facility.

As at the LPD, we have identified the land (located in Kapar, Klang) in which we intend to purchase for the construction of the new manufacturing facility. We expect to complete the acquisition of the land within 3 months upon Listing. The construction is expected to be completed within 12 months from the commencement of construction. We expect our new factory to be in full operation by second half of 2022.

4. DETAILS OF OUR IPO (Cont'd)**(ii) Automation of manufacturing process**

We intend to utilise RM4.00 million of our gross proceeds from the Public Issue to increase the automation of our metal door frame manufacturing process by integrating robotic equipment in our welding and profile forming processes.

Currently, our welding and profile forming processes involve a great extent of manual labour, which takes up a significant portion of our manufacturing time. Please refer to Sections 7.5.1(b) and 7.17(ii)(b) for further details on our current welding and profile forming processes.

The automation will increase the overall productivity of our welding and profile forming processes and minimise human error to ensure the consistency of the quality of our products.

The RM4.00 million allocated will be utilised for the following:

Details	No. of units	Total estimated cost (RM'000)
Robotic welding line	4	3,000
CNC bending machine in-built with robotic arms	2	1,000
		4,000

The estimated cost for the acquisition of robotic equipment is inclusive of the installation and integration cost. In the event that the actual cost of the above is higher than the budget allocated from the gross proceeds of the Public Issue, we will fund the deficit out of the portion allocated for working capital and vice versa.

(iii) Working capital

A total of RM6.20 million of the gross proceeds from Public Issue will be used to finance our working capital requirements in tandem with our expected growth and business strategies. The following is a breakdown of the utilisation of proceeds for our working capital requirements:

Details	Amount (RM'000)
Working capital requirements for the manufacturing of wooden doors ⁽¹⁾	3,200
Raw materials for the manufacturing of fire resistant door sets ⁽²⁾	2,000
Increase in inventory level of ironmongery products ⁽³⁾	1,000
	6,200

Notes:

- (1) RM3.20 million of the proceeds are earmarked for the purchase of raw materials and operating expenditure for the production of wooden doors that we intend to commence during the 4th quarter of 2020. Please refer to Section 7.17(i) for further details on our plan for the manufacturing of wooden doors.
- (2) In view of the increasing demand of our fire resistant door sets since the commencement of production in 2017, RM2.00 million of the proceeds are earmarked for the purchase of raw materials of our fire resistant doors such as fire resistant boards and insulation materials.

4. DETAILS OF OUR IPO (Cont'd)

- (3) To improve our stock availability and lead time for delivery to our customers, RM1.00 million of the proceeds are earmarked to increase our inventory level of ironmongery products.

(iv) Estimated listing expenses

An amount of RM3.00 million is allocated to meet the estimated expenses of our Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our working capital requirements. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Utilisation	RM'000
Professional fees ⁽¹⁾	2,000
Fees payable to the authorities	100
Underwriting, placement and brokerage fees	600
Printing, advertising fees and contingencies ⁽²⁾	300
	3,000

Notes:

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

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

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

4.10 BROKERAGE, PLACEMENT AND UNDERWRITING COMMISSION**Underwriting commission**

Our Underwriter, M&A Securities has agreed to underwrite 19,500,000 Issue Shares available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 3.0% of the total value of underwritten Shares at the IPO Price.

Placement fees

Our Placement Agent has placed out a total of 45,500,000 Issue Shares to selected investors and Bumiputera investors approved by MITI.

We are obliged to pay our Placement Agent a placement fee of 2.5% of the value of Issue Shares placed out by our Placement Agent, at the IPO Price.

4. DETAILS OF OUR IPO (Cont'd)

Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of the 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.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The salient terms of the Underwriting Agreement are as follows:

- 1.1 Subject to the terms and conditions of the Underwriting Agreement, M&A Securities has agreed to underwrite 19,500,000 Issue Shares ("Underwritten Shares") as set out in Section 4.10.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon *inter-alia* the following ("Conditions Precedent"):
 - (i) The Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:
 - (a) no material adverse 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 from the date of the Underwriting Agreement; or
 - (b) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings by our Company materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;
 - (ii) the Underwriter receiving a certificate dated the Closing Date signed by the duly authorised officers of our Company stating *inter-alia* that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in the Underwriting Agreement;
 - (iii) the Underwriter receiving copies certified by a Director of our Company or the secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the Directors and the shareholders of our Company in general meeting:
 - (a) approving the issue of the Issue Shares;
 - (b) approving the Prospectus and the application forms, the Public Issue, Offer for Sale, the Listing the Underwriting Agreement and the transactions contemplated by it; and
 - (c) authorising a person(s) to sign and deliver the Underwriting Agreement on behalf of our Company and the issuance of the Prospectus;

4. DETAILS OF OUR IPO (Cont'd)

- (iv) the issue and subscription of the Issue Shares is 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 IPO Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the Public Issue, Offer for Sale and the Listing have been obtained, complied with and are in force on the Closing Date or the Underwriter being reasonably satisfied that the same will be in force on the Closing Date;
 - (v) the offering of, listing of and quotation for the Issue Shares / issued and paid-up share capital of our Company on the ACE Market of Bursa Securities having been approved by Bursa Securities and any other relevant authority or authorities and remaining in full force and effect and that all conditions to the approvals (except for any which can only be complied with after the Retail Offering has been completed) have been complied with or subject only to conditions which are acceptable to the Underwriter and such approval is not withdrawn;
 - (vi) the launching of Prospectus taking place within 3 months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing;
 - (vii) the Prospectus having been lodged with the Registrar of Companies and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;
 - (viii) the Underwriting Agreement and the required agreements/letters of undertaking in relation to the Offer for Sale in the form acceptable to the Underwriter have been duly executed by all relevant parties and are in full force and effect, valid and enforceable (and not amended or supplemented, save as agreed in writing by the Underwriter), there shall not have occurred any breach or non-compliance by any of the parties thereto of their obligations and agreements under such documents and each of the conditions precedent (save for this condition precedent) in each of these documents shall have been satisfied or waived (in accordance with the provisions therein);
 - (ix) the Listing occurs within 1 month from the Closing Date or any later date as may be approved by the authorities and agreed in writing by the Underwriter; and
 - (x) Upon the Underwriter's (in this regard, in its capacity as the placement agent for the shares to be placed out by the placement agent) receipt of the full subscription monies for the shares to be placed out by the placement agent on or before the last date for payment of the same.
- 1.3 If after the Conditions Precedent has been complied with and our Company decides not to proceed with the IPO, the Underwriter may treat itself as so released or discharged from its obligations and the Underwriting Agreement shall terminate and be of no further force or effect provided that our Company shall remain liable for the payment of the sum as set out in the Underwriting Agreement and all other costs and expenses incurred by the Underwriter in connection with the underwriting of the Underwritten Shares (including late interest payment, if applicable).

4. DETAILS OF OUR IPO (Cont'd)

- 1.4 The Underwriter reserves the right to waive or modify 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 and such waiver or modification shall not prejudice the Underwriter's rights under the Underwriting Agreement.
- 1.5 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:
- (i) any of the Conditions Precedent under the Underwriting Agreement is not duly satisfied by the Closing Date; or
 - (ii) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the reasonable satisfaction of the Underwriter within 10 Market Days from the date our Company is notified by the Underwriter of such breach; or
 - (iii) 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 our Group, the success of the IPO, or the distribution or sale of the Issue Shares; or
 - (iv) the approval of Bursa Securities in respect of the Listing or the approval-in-principle of Bursa Securities for the listing and quotation of its entire issued and paid-up share capital on the ACE Market is withdrawn; or
 - (v) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or our Group; or
 - (vi) our Company or any of its 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
 - (vii) there shall have occurred, or happened any of the force majeure event including, but not limited to:
 - (a) any government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriter seriously affects or will seriously affect the business and/or financial position of the Group;
 - (b) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rates (including but not limited to conditions on the stock market in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing which, would have or can reasonably be expected to have, in the reasonable

4. DETAILS OF OUR IPO (Cont'd)

opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or our Group as a whole, the success of the IPO, or the distribution or sale of the 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; or

- (c) any new law or regulation or any change in existing laws or regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority, which in the opinion of the Underwriter has or is likely to have a material adverse effect on the condition (financial or otherwise) or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Group; or
- (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market due to exceptional financial circumstances or otherwise; or
- (e) there having been on or prior to the Closing Date and in the reasonable opinion of the Underwriter, any adverse and material change or development reasonably likely to involve a prospective adverse and material change in the financial or business condition of the Group from that set out in the Prospectus which is material in the context of the offering of the Issue Shares and/or Offer Shares thereunder 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 warranties and representations of our Company under the Underwriting Agreement as though given or made on such date; or
- (f) any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of government, national disorder, declaration of a state of national emergency, pandemics, acts of terrorism, strikes, lockouts, fire, explosion, earthquake, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) 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 the Group as a whole, the success of the IPO, or the distribution or sale of the 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; or
- (g) if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement 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 date of the Underwriting Agreement and remains at or below that level for at least 3 Market Days.

4. DETAILS OF OUR IPO (Cont'd)

- (viii) there is any failure on the part of our Company to perform any of its obligations under the Underwriting Agreement.
- 1.6 In the event that the Underwriting Agreement is terminated pursuant to the terms and conditions therein, the Underwriter and our Company may confer with a view to deferring the Public Issue by amending its terms or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.
- 1.7 If the Underwriter terminates its obligation pursuant to item 1.5 above, the parties shall be released and discharged from their respective obligations under the Underwriting Agreement save for the Underwriter's rights to the following:
- (i) the payment of the underwriting commission;
 - (ii) costs and expenses incurred by the Underwriter in connection with the underwriting of the Underwritten Shares (including late interest payment, if applicable); and
 - (iii) right to be indemnified by our Company.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

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

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

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

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

Name	Nationality	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Lim Chin Horng ⁽³⁾	Malaysian	132,412,735	50.9	-	-	112,912,735	34.7	-	-
Lim Saw Nee ⁽³⁾	Malaysian	121,392,300	46.7	-	-	108,392,300	33.4	-	-

Notes:

- (1) Based on our issued share capital of 260,000,000 Shares after completion of the Acquisitions and the transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng before our IPO.
- (2) Based on our enlarged issued share capital of 325,000,000 Shares after our IPO.
- (3) Lim Chin Horng and Lim Saw Nee are siblings. Lai Shu San is the spouse of Lim Chin Horng.

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

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

5.1.2 Profiles of Promoters and substantial shareholders

Lim Chin Horng

Managing Director, Promoter and substantial shareholder

Lim Chin Horng, a Malaysian, aged 51, is our Promoter, substantial shareholder and our Managing Director. He was appointed to the Board on 13 February 2020.

He completed his 6th form education in 1989 at Sekolah Menengah Kebangsaan Tinggi Klang, Klang, Malaysia and commenced his career in 1990 with Amalgamated Containers Berhad (subsequently listed on the then Main Board of Bursa Securities in 1993 and now known as Parkson Holdings Berhad) in the quality control department as a Supervisor for manufacturing of steel cargo containers and related metal parts. He was tasked with monitoring the factory operations and ensuring that the production standards were met. In 1992, he was promoted to an Executive in the engineering department, where he was responsible for the continuous improvements and extension to the production line system. Subsequently, in 1994, he was promoted to the position of Senior Executive in the production department, where he was primarily tasked with the scheduling and planning of raw materials and manpower for the production lines.

In 1996, he left Amalgamated Containers Berhad to join Era Ace Sdn Bhd as a Project Manager, a company involved in the provision of mechanical and electrical engineering services. His responsibilities, which were primarily in the business development and operations of the company, included developing strategic business and marketing plans and coordinating the different departments in the company. He left Era Ace Sdn Bhd in 1999 to set up Era Ace Engineering and Trading, a sole proprietorship, where he undertook the business of trading in mechanical electronic parts and components, to collaborate with Era Ace Sdn Bhd. Era Ace Engineering and Trading ceased operations in 2004.

In August 2001, he co-founded Econframe Marketing with 3 other founding shareholders (2 of whom exited Econframe Marketing by 2005) to undertake the business of manufacturing of metal door frames and metal window frames. In 2006, Lim Saw Nee (our Non-Independent Non-Executive Director and Promoter) invested in Econframe Marketing and became the majority shareholder in 2007. In 2010, the 3rd founding shareholder exited Econframe Marketing.

In 2010, he set up Econframe Pre-Hung together with Khoo Soon Beng (our Executive Director) for the trading of wooden doors to complement the metal door frames business of Econframe Marketing. Over the years, he played an integral role in the growth and development of our Group, developing and implementing our Group's strategy, with particular focus on operational strategies and product development.

Currently he also sits on the boards of the subsidiaries of our Group. Please refer to Section 5.2.3 below for details of Mr Lim's other directorship and principal business activities performed outside our Group.

He is the spouse of Lai Shu San and brother of Lim Saw Nee.

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

Lim Saw Nee

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

Lim Saw Nee, a Malaysian, aged 53, is our Promoter, substantial shareholder and our Non-Independent Non-Executive Director. She was appointed to the Board on 13 February 2020.

She obtained her Diploma in Interior Design at the Modern Institute of Interior Design, Petaling Jaya, Malaysia (which has since ceased operation) in 1988. Upon graduation, she joined Sun Swee Productions Sdn Bhd as a Junior Production Designer, assisting in the film set designs produced by the company. She left the company after a year in 1989 to join United Tradewind Trading Sdn Bhd as an Administrative Executive, a company co-founded by her spouse, which provides mechanical and electrical engineering services in the construction industry.

In 2006, she invested in Econframe Marketing to eventually become a majority shareholder of the company in support of her brother, Lim Chin Horng.

She has remained at United Tradewind Trading Sdn Bhd since 1989 and currently holds the position of General Manager, where she oversees various departments including the human resource department and procurement department. She is also tasked with ensuring effective internal communication with the sales, operations and project team.

Currently, she sits on the board of Econframe Marketing.

She is the sister of Lim Chin Horng and sister-in-law of Lai Shu San.

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

5.1.3 Changes in the Promoters' and substantial shareholders' shareholdings

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

Promoter / Shareholder	As at incorporation				⁽²⁾ After the Acquisition				⁽³⁾ After IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Chin Horng ⁽⁴⁾	-	-	-	-	132,412,735	50.9	-	-	112,912,735	34.7	-	-
Lim Saw Nee ⁽⁴⁾	-	-	-	-	121,392,300	46.7	-	-	108,392,300	33.4	-	-
Tham Kok Leong	⁽¹⁾ 1	100.0	-	-	-	-	-	-	-	-	-	-
Total	1	100.0	-	-	253,805,035	97.6	-	-	221,305,035	68.1	-	-

Notes:

- (1) Being the subscriber shareholder of our Company. His shareholding increased to 100 Shares following the subsequent allotment of 99 Shares on 10 February 2020.
- (2) Based on our issued share capital of 260,000,000 Shares after completion of the Acquisitions and the transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng before our IPO.
- (3) Based on our enlarged issued share capital of 325,000,000 Shares after our IPO.
- (4) Lim Chin Horng and Lim Saw Nee are siblings. Lai Shu San is the spouse of Lim Chin Horng.

5.1.4 Persons exercising control over the corporation

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

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

5.2 DIRECTORS

5.2.1 Directors' shareholdings

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

Name	Designation/ Nationality	As at the LPD				After IPO ^{(1) (2)}			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Robert Koong Yin Leong	Independent Non-Executive Chairman / Malaysian	-	-	-	-	50,000	~	-	-
Lim Chin Horng ⁽³⁾	Managing Director / Malaysian	132,412,735	50.9	-	-	112,912,735	34.7	-	-
Khoo Soon Beng	Executive Director / Malaysian	6,194,965	2.4	-	-	6,594,965	2.0	-	-
Lim Saw Nee ⁽³⁾	Non-Independent Non-Executive Director / Malaysian	121,392,300	46.7	-	-	108,392,300	33.4	-	-
Tan Hock Soon	Independent Non-Executive Director / Malaysian	-	-	-	-	50,000	~	-	-
Ilham Fadilah Binti Sunhaji	Independent Non-Executive Director / Malaysian	-	-	-	-	50,000	~	-	-

Notes:

~ Less than 0.1%

(1) Based on our enlarged issued share capital of 325,000,000 Shares after completion of the Acquisitions, transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng and our IPO.

(2) Assuming our Directors will fully subscribe for their Pink Form Allocations.

(3) Lim Chin Horng and Lim Saw Nee are siblings. Lai Shu San is the spouse of Lim Chin Horng.

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:

Robert Koong Yin Leong

Independent Non-Executive Chairman

Robert Koong Yin Leong, a Malaysian, aged 52, is our Independent Non-Executive Chairman. He was appointed to our Board on 11 February 2020 and he is the Chairman of our Remuneration Committee. He is also a member of our Audit and Risk Management Committee and Nomination Committee.

In 1988, he graduated with a London Chamber of Commerce and Industry (LCCI) Higher Diploma in Accounting from Systematic College, Kuala Lumpur Malaysia. He is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom since 1995.

He commenced his career as a Staff Accountant at Arthur Andersen & Co in 1990 in the Corporate Recovery and Corporate Finance Division and left in February 1994. During his tenure at Arthur Andersen & Co, he was involved in handling forensic audit, general receivership as well as corporate finance activities such as fund-raising exercises and debt restructuring. In March 1994, he joined Electroscon Sdn Bhd, a company involved in telecommunication engineering and infrastructure as the Finance Manager where he led the accounting, finance, administrative and human resource departments. In 1998, he left the company and joined Tanco Resorts Berhad, a subsidiary company of Tanco Holdings Berhad (listed on the Main Market of Bursa Securities) which was involved in property development and resort management, as Finance and Administration Manager. His role at Tanco Resorts Berhad included compliance with accounting standards, group policies and timely reporting to Bursa Securities. He left Tanco Resorts Berhad in 2002.

In 2003, he joined Hicom-Teck See Sdn Bhd and was posted to Thailand to be the General Manager, Finance of its associate company, Hicom-Automotive Plastics (Thailand) Ltd where he remained until May 2005. During his tenure in Thailand, he was responsible for the monthly reporting, compliance with statutory requirements, annual budget and tax planning. From June 2005 to September 2006, he joined Nakamichi Corporation Berhad (then listed on the Main Market of Bursa Securities), a company involved in manufacturing of audio-visual products as the Manager, Finance and Administration where his role included preparing the monthly reports and planning and overseeing the budget and cash flow. He was also a Non-Independent Non-Executive Director of Nakamichi Corporation Berhad from 12 February 2008 until 28 July 2008.

In October 2006, he joined SMIS Corporation Berhad (listed on the Main Market of Bursa Securities), a company involved in manufacturing of automotive parts, and trading of industrial supplies, as the Group Financial Controller, a position he holds until today. Currently, his responsibilities at SMIS Corporation Berhad includes overseeing all the quarterly and annual reporting to Bursa Securities, ensuring the timely statutory reporting of the group companies and assisting the group in its strategic planning.

He is currently the Independent Non-Executive Chairman of Systech Bhd (listed on the ACE Market of Bursa Securities), a position he was appointed to on 20 May 2011. He is also a director of several private limited companies and corporations. Please refer to Section 5.2.3 below for details of Mr Koong's other directorships and other principal business activities performed outside our Group.

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

He has no family relationship with our Promoters, substantial shareholders, Directors and key senior management of our Group.

Khoo Soon Beng
Executive Director

Khoo Soon Beng, a Malaysian, aged 51, is our Executive Director. He was appointed to our Board on 13 February 2020.

In 1992, he graduated with a NCC (National Computing Centre) Diploma in Computer Studies from Informatics Institute, Klang, Malaysia (which has since ceased operation). He also obtained a Diploma in Business Studies issued by the Institute of Commercial Management, England from Institute Wawasan, Klang, Malaysia (which has since ceased operation) in 1994.

He commenced his career in 1990 as a Production Planner in Amalgamated Containers Berhad (subsequently listed on the then Main Board of Bursa Securities in 1993 and now known as Parkson Holdings Berhad), where he was responsible for planning the requisition of materials for the production of dry steel cargo containers. He left Amalgamated Containers Berhad in 1994 to join Forenede Plast (Malaysia) Sdn Bhd, a manufacturer of plastic pipes, as a Production Controller and was tasked with overseeing the production activities of the company.

In 2002, he left Forenede Plast (Malaysia) Sdn Bhd to join Nakagawa (M) Sdn Bhd, a manufacturer of automotive rubber mats, as a Production Planning Executive, where he was primarily responsible for the scheduling and planning of raw materials for the production lines. He left Nakagawa (M) Sdn Bhd in 2003 and re-joined Forenede Plast (Malaysia) Sdn Bhd in 2004 as a Sales Executive until June 2006.

In July 2006, he commenced his employment with Econframe Marketing as a Sales and Marketing Manager, where he was placed in charge of the sales and marketing activities of the company. In 2010, he co-founded Econframe Pre-Hung with Lim Chin Horng (our Managing Director and Promoter) and assumed the responsibility for overseeing the sales and marketing activities of our Group, a position he has continued until today.

Currently, he also sits on the board of Econframe Pre-Hung. Please refer to Section 5.2.3 below for details of Mr Khoo's other directorship and principal business activities performed outside our Group.

He has no family relationship with our Promoters, substantial shareholders, Directors and other key senior management of our Group.

Tan Hock Soon
Independent Non-Executive Director

Tan Hock Soon, a Malaysian, aged 48, is our Independent Non-Executive Director. He was appointed to our Board on 11 February 2020 and he is the Chairman of our Audit and Risk Management Committee. He is also a member of our Remuneration Committee and Nomination Committee.

He is a Fellow Member of the Malaysian Institute of Certified Public Accountants ("MICPA") as well as a Member of the Malaysian Institute of Accountants since 1996 and 1997 respectively.

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

Upon completing his 6th form education in 1991 at Sekolah Menengah Kebangsaan (L) Bukit Bintang, Petaling Jaya, Malaysia, he commenced his career as an Articled Clerk with KPMG in 1992 while pursuing his professional qualification with the Malaysian Association of Certified Public Accountants (now known as MICPA). He was admitted as a member of MICPA in June 1996. During his tenure at KPMG, he was involved in audit assignments for clients involved in various industries. He left KPMG as an Audit Supervisor in June 1996 and in July 1996, he joined the Corporate Finance Division of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) ("CIMB") as an Executive and left as an Assistant Manager in March 1999. During his tenure in CIMB, he was involved in a wide variety of corporate advisory assignments which include initial public offerings, debt and equity fund raising, mergers and acquisitions, reverse take-overs, corporate and debt restructuring and privatisation exercises.

In March 1999, he set up his own business management consultancy business through IKL Corporation Sdn Bhd, a company which he still owns. The company has since ceased its consultancy business to become a holding company for his investment in shares.

On 27 November 2001, he was appointed as the Executive Director of Merces Holdings Berhad (listed on the then Second Board of Bursa Securities and now known as Y&G Corporation Berhad) a company which is involved in property development and construction.

In 2003, he founded Strategic Capital Advisory Sdn Bhd. In 2004, he left Merces Holdings Berhad and returned to focus on his consultancy business via Strategic Capital Advisory Sdn Bhd. In the same year, he obtained his Investment Representative licence from the SC and is currently a Director of Strategic Capital Advisory Sdn Bhd, a Licensed Investment Advisory company which specialises in Corporate Finance.

On 29 January 2003, he was also appointed as the Independent Non-Executive Director of NTPM Holdings Berhad (listed on the Main Market of Bursa Securities), a company involved in manufacturing and trading of tissue and other paper products and subsequently resigned in 2008.

In 2005, he was appointed as the Executive Director of Syscotech Sdn Bhd which is involved in software research and development. He was instrumental in propelling the company to be listed via Systech Bhd on the ACE Market of Bursa Securities through a reverse take-over of Viztel Solutions Berhad in 2011. He was appointed as the Non-Independent Non-Executive Director of Systech Bhd on 20 May 2011 and subsequently, re-designated to Executive Director on 17 August 2017, a position he still holds today.

He is currently also an Independent Non-Executive Director of SMIS Corporation Bhd (listed on the Main Market of Bursa Securities), a position he was appointed to on 3 June 2019, as well as a director of several private limited companies and corporations. Please refer to Section 5.2.3 below for details of Mr Tan's other directorships and principal business activities performed outside our Group.

He has no family relationship with the Promoters, substantial shareholders, Directors and other key senior management of our Group.

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

Ilham Fadilah Binti Sunhaji
Independent Non-Executive Director

Ilham Fadilah Binti Sunhaji, a Malaysian, aged 38, is our Independent Non-Executive Director. She was appointed to our Board on 11 February 2020 and she is the Chairman of our Nomination Committee. She is also a member of our Audit and Risk Management and Remuneration Committee.

She completed her Bachelor of Arts majoring in International Studies (Global Security) and Political Science from the University of Wisconsin-Madison, United States of America in 2005. She proceeded to obtain her Masters of Business Administration in Strategic Management from the International Islamic University Malaysia in 2014. She is currently pursuing her Doctorate of Business Administration at SEGI University.

She commenced her career in 2005 when she joined Solid Partners Sdn Bhd as an Executive in the sales and marketing department, where she was involved in the tendering and procurement of military and medical equipment. In 2006, she joined Accenture Malaysia as an Analyst. She was promoted to Consultant in 2008 and subsequently, to Manager in 2010. During her tenure at Accenture Malaysia, her responsibilities included providing clients proposals and solutions specialising in strategic planning, development and execution of organisation transformation plans, designing business operating models, as well as developing deployment strategies and on-line knowledge repository systems.

In 2012, she left Accenture Malaysia and joined Performance Management and Delivery Unit ("PEMANDU"), an agency of the Prime Minister's Department, as Manager. She was promoted to Senior Manager in 2014 and subsequently to Vice President in 2017. During her tenure at PEMANDU, her role included conducting analysis of different subject matters to identify issues, formulate solutions and recommendations, provide project management and monitor progress of implementation.

In August 2017, she left PEMANDU and joined Pemandu Associates Sdn Bhd, a private management consultancy firm, as Senior Vice President, where she is currently responsible for strategic planning and development and execution of organisation transformation plans.

She is currently an Independent Non-Executive Director of Ocean Vantage Holdings Berhad (listed on the ACE Market of Bursa Securities), a position she was appointed to on 1 April 2019.

She has no family relationship with the Promoters, substantial shareholders, Directors and other key senior management of our Group.

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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 and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(i) Robert Koong Yin Leong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Cendana Eksotik Sdn Bhd ⁽¹⁾	Investment holding company for shares in a corporation	Director	24 August 2016	-	-	-
Plaspoint Sdn Bhd ⁽¹⁾	Dormant. It was previously involved in manufacturing, developing and dealing in plastic, resins and their waste	Director	31 December 2012	-	-	-
PT Grand Surya Techno ⁽¹⁾⁽²⁾	Manufacturing of automotive carpets and interior trims	Director	9 January 2015	-	-	-
PT Sanyco Grand Indonesia ⁽¹⁾⁽²⁾	Dormant. It was previously involved in trading of automotive braking components	Director	25 August 2016	-	-	-
SMIS Grand Ventures Sdn Bhd ⁽¹⁾	Investment holding company for shares in a corporation	Director	24 August 2016	-	-	-
Systech Bhd ⁽³⁾	Investment holding company. The subsidiaries are principally involved in e-business solutions, CyberSecurity and e-Logistics	Independent Non-Executive Chairman / Shareholder	20 May 2011	-	~	-

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	
					Direct	Indirect
Past involvement						
PT Sysarmy Indocyber Security ⁽⁵⁾⁽²⁾	Provision of cyber security software and hardware systems and the related application and consultancy services	Komisari ⁽⁴⁾	25 June 2016	9 December 2019	-	-

Notes:

~ Less than 0.1%

- (1) Subsidiaries of SMIS Corporation Berhad, a company listed on the Main Market of Bursa Securities, where Robert Koong Yin Leong is currently the Group Financial Controller.
- (2) Incorporated in Indonesia.
- (3) A company listed on the ACE Market of Bursa Securities.
- (4) A Komisari of an Indonesian company is part of the board of commissioner of an Indonesian company whose task is that of the supervision of the board of directors.
- (5) A subsidiary of Systech Bhd, a company listed on the ACE Market of Bursa Securities.

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

(ii) Lim Chin Horng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
Bestfloor Sdn Bhd	Dissolved on 19 June 2020. It was previously involved in trading of wooden flooring	Director /Substantial Shareholder	4 July 2008	-	55.0	-
IBS Door Systems Sdn Bhd	Dormant. It did not commence any business activities since incorporation	Director /Substantial Shareholder	5 April 2017	22 February 2019	70.0 ⁽¹⁾	-
Joypac Sdn Bhd	Dissolved on 30 May 2017. It was previously involved in the trading of hardware	Director /Substantial Shareholder	8 March 2004	-	51.0	-
Magna Dynamic Resources Sdn Bhd	Dissolved on 22 June 2018. It was previously involved in the trading of hardware and subsequently became a dormant company immediately before it was dissolved	Director /Substantial Shareholder	27 April 2011	-	50.0 ⁽³⁾	-
Mega Bounty Sdn Bhd	Dormant. It did not commence any business activities since incorporation	Director /Substantial Shareholder	19 December 2013	31 December 2019	50.0 ⁽²⁾	-

Notes:

- (1) His spouse, Lai Shu San owned the remaining 30.0% equity interest. Both Lim Chin Horng and Lai Shu San disposed all their shares in the company on 16 January 2020.
- (2) Lim Chin Horng disposed his equity interest on 11 February 2020.
- (3) His spouse, Lai Shu San owned the remaining 50.0% equity interest.

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

(iii) Khoo Soon Beng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Bestfloor Sdn Bhd	Dissolved on 19 June 2020. It was previously involved in the trading of wooden flooring	Director /Substantial Shareholder	4 July 2008	-	30.0	-
Joypac Sdn Bhd	Dissolved on 30 May 2017. It was previously involved in the trading of hardware	Director /Substantial Shareholder	6 January 2006	-	49.0	-

(iv) Tan Hock Soon

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Strategic Capital Advisory Sdn Bhd	Corporate finance advisory and consultancy	Director / Substantial Shareholder	28 April 2003	-	70.0	-
IKL Corporation Sdn Bhd	Provision of consulting services and investment holding	Director / Sole Shareholder	9 March 1999	-	100.0	-
Leinet Berhad	Technology Investment holding company for shares	Director	27 February 2004	-	-	29.6 ⁽¹⁾

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	
					Direct	Indirect
Systech Bhd	Investment holding company. The subsidiaries are principally involved in e-business solutions, CyberSecurity and e-Logistics	Executive Director	29 May 2011	-	-	52.3 ⁽²⁾
Syscatech Sdn Bhd	Software research and development, provision of related software services and, trading of software related peripherals	Executive Director	24 June 2005	-	-	100.0 ⁽³⁾
Mobysys Sdn Bhd	Software research and development, provision of software related services, trading of computer software related peripherals	Executive Director	25 May 2006	-	-	100.0 ⁽³⁾
Techcasys Sdn Bhd	Software research and development, provision of related software services and, trading of software related peripherals	Executive Director	18 July 2012	-	-	100.0 ⁽³⁾
Syscatech, Inc	Procurement, development and trading of software solutions	Director	10 September 2014	-	-	100.0 ⁽³⁾⁽⁴⁾
Syscode Sdn Bhd	Software research and development, marketing and support services	-	-	-	-	50.0 ⁽³⁾
Sysarmy Sdn Bhd	Provision of cyber security software and hardware systems and the related application and consultancy services	Executive Director	22 May 2017	-	-	51.0 ⁽³⁾

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	
					Direct	Indirect
PT Sysarmy Indocyber Security	Provision of cyber security software and hardware systems and the related application and consultancy services	Komisari	25 June 2016	9 December 2019	-	100.0 ⁽³⁾⁽⁵⁾
SecureIoT Academy Sdn Bhd	Provision of cyber security training and related activities	-	-	-	-	51.0 ⁽³⁾
Postlink Pte Ltd	Provision of mailing house, transport, design and information system services	Director	30 August 2017	-	-	51.0 ⁽³⁾⁽⁶⁾
SMIS Corporation Berhad ⁽⁷⁾	Investment holding company. The subsidiaries are principally involved in manufacturing and trading of automotive components and trading of machineries and industrial parts supplies	Independent Non-Executive Director	3 June 2019	-	-	-
<u>Past involvement</u>						
Dotcom Consulting Sdn Bhd	Dormant. It was previously involved in exporting and importing of computer hardware, software and peripherals	Director / Substantial Shareholder	1 November 2018	16 March 2020	50.0 ⁽⁸⁾	-
Flora Bee Hive Enterprise Sdn Bhd	Bee farming, manufacturing, wholesaling, retailing, importing and exporting of honey and all kinds of honey products	Director	22 December 2017	31 August 2018	-	-

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	
					Direct	Indirect
IKL Resources Sdn Bhd	Investment holding company for shares	Director / Substantial Shareholder	16 March 1999	29 March 2017	22.0 ⁽⁹⁾	-
Medimedia Sdn Bhd	Dissolved on 8 June 2018. It was previously involved in developing, producing and marketing film, news, sports, special events, and owning advertisement media and subsequently became a dormant company immediately before it was dissolved	Substantial Shareholder	-	-	50.0	-
Sunmatics Sdn Bhd	Dissolved on 13 May 2016. It was previously involved in trading in lubricant, petroleum and all related products and subsequently became a dormant company	Substantial Shareholder	-	-	15.0	-

Notes:

- (1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his interest in IKL Corporation Sdn Bhd, which owns 29.6% issued shares in Leinet Technology Berhad.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his interest in IKL Corporation Sdn Bhd, which holds 29.6% issued shares in Leinet Technology Berhad, which in turn holds 52.3% shares in Systech Bhd, a company listed on the ACE Market of Bursa Securities. Consequentially, he is also deemed interested in the shares of the subsidiaries of Systech Bhd pursuant to Section 8 of the Act.
- (3) Subsidiaries of Systech Bhd, a company listed on the ACE Market of Bursa Securities.
- (4) Company incorporated in the United States of America.

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

- (5) Company incorporated in Indonesia. A Komisari of an Indonesian company is part of the board of commissioner of an Indonesian company whose task is that of the supervision of the board of directors.
- (6) Company incorporated in Singapore.
- (7) A company listed on the Main Market of Bursa Securities.
- (8) Tan Hock Soon disposed his equity interest on 2 July 2020.
- (9) Tan Hock Soon disposed his equity interest on 13 April 2017.

(v) Ilham Fadilah Binti Sunhaji

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Ocean Vantage Holdings Berhad	Investment holding company. The subsidiaries are principally involved in provision of support services to the oil and gas industry	Independent Non-Executive Director	1 April 2019	-	~	-
Neocap Sdn Bhd	Inactive. The company is newly incorporated and has not commenced any activities	Director / Sole Shareholder	14 February 2020	-	100.0	-

Note:

~ Less than 0.1%

As at the LPD, the directorships of our Directors in other companies are in compliance with the Listing Requirements.

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

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. 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.

5.2.4 Directors' remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYEs 2019 and 2020 are as follows:

FYE 2019	Directors' fees	Salaries	Bonuses	Commissions	Statutory contributions ⁽¹⁾	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Robert Koong Yin Leong ⁽²⁾	-	-	-	-	-	-	-
Lim Chin Horng	⁽³⁾ 120	-	-	-	-	15	135
Khoo Soon Beng	-	62	26	168	11	18	285
Lim Saw Nee	-	-	-	-	-	10	10
Tan Hock Soon ⁽²⁾	-	-	-	-	-	-	-
Ilham Fadilah Binti Sunhaji ⁽²⁾	-	-	-	-	-	-	-
FYE 2020							
Robert Koong Yin Leong ⁽²⁾	12	-	-	-	-	3	15
Lim Chin Horng	⁽³⁾ 222	-	-	-	-	-	222
Khoo Soon Beng	-	88	⁽⁴⁾ 29	-	16	-	133
Lim Saw Nee	10	-	-	-	-	-	10
Tan Hock Soon ⁽²⁾	12	-	-	-	-	3	15
Ilham Fadilah Binti Sunhaji ⁽²⁾	9	-	-	-	-	3	12

Notes:

- (1) Including contributions to EPF, SOCSO and Employment Insurance System.
- (2) Robert Koong Yin Leong, Tan Hock Soon and Ilham Fadilah Binti Sunhaji were appointed to our Board on 11 February 2020.
- (3) Lim Chin Horng had opted to be remunerated through directors' fees prior to the FYE 2021, which is not subject to EPF contribution by Econframe Marketing and Econframe Pre-Hung.

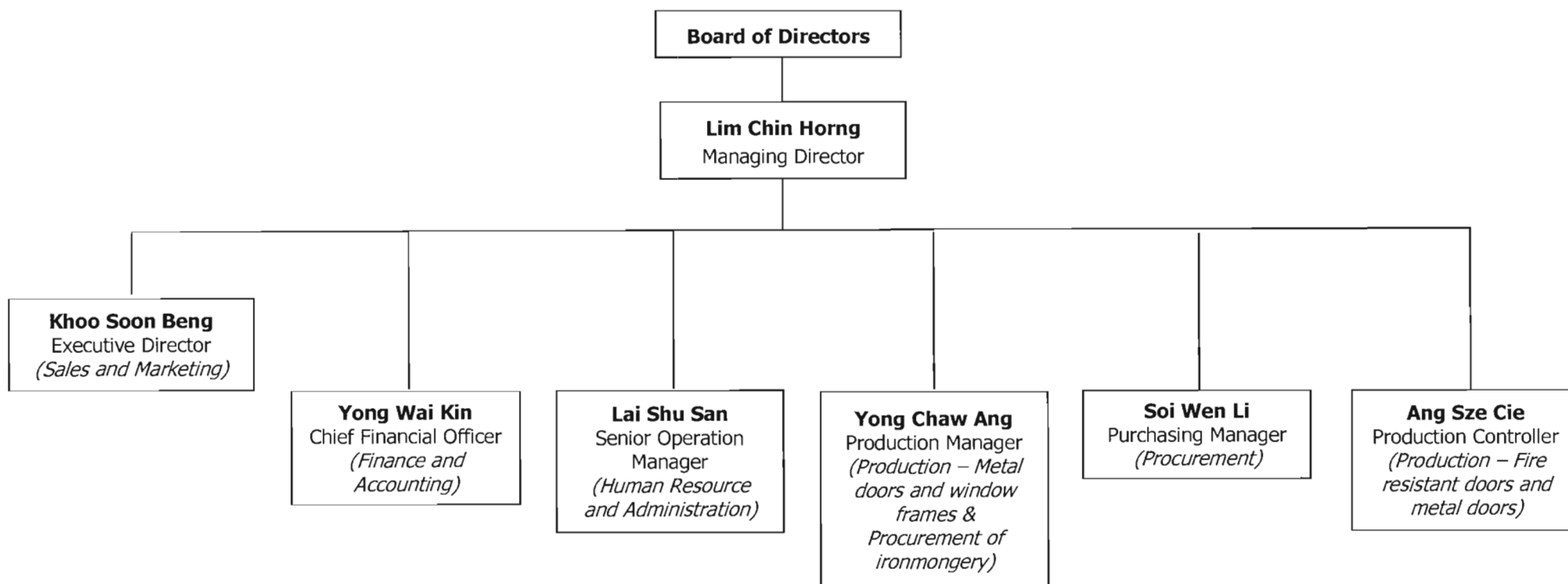
5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (4) The bonus for the FYE 2020 was paid prior to the completion of the Acquisitions. Bonuses, if any, moving forward will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.

The remuneration for our Directors must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 14.2 for further details.

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management reporting 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 our IPO assuming our key senior management fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	As at the LPD				After IPO ^{(1) (2)}			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Yong Wai Kin	Chief Financial Officer/ Malaysian	-	-	-	-	100,000	~	-	-
Lai Shu San ⁽³⁾	Senior Operation Manager/ Malaysian	-	-	-	-	400,000	~	-	-
Yong Chaw Ang	Production Manager/ Malaysian	-	-	-	-	400,000	~	-	-
Soi Wen Li	Purchasing Manager/ Malaysian	-	-	-	-	300,000	~	-	-
Ang Sze Cie	Production Controller/ Malaysian	-	-	-	-	300,000	~	-	-

Notes:

~ Less than 0.1%

- (1) Based on our enlarged issued share capital of 325,000,000 Shares after completion of the Acquisitions, the transfer of the subscriber's 100 Shares in Econframe to Lim Chin Horng and our IPO.
- (2) Assuming our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations.
- (3) Lai Shu San is the spouse of Lim Chin Horng.

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

5.3.3 Profiles of key senior management

The profiles of our key senior management are as follows:

Yong Wai Kin
Chief Financial Officer

Yong Wai Kin, a Malaysian aged 51, is our Chief Financial Officer. He is primarily responsible for the financial and accounting functions of our Group.

In 1988, he obtained his Higher Diploma in Accounting from the London Chamber of Commerce and Industry (LCCI) from ATC College. He is a Member of the Association of Chartered Certified Accountants, United Kingdom and Malaysian Institute of Accountants since 2001 and 2003 respectively.

He commenced his career as an Audit Junior at Moore Stephens Ismail Chong Gomez in 1990, where he was responsible for the statutory audit planning and special audit for corporate exercises involving clients in various industries. He was subsequently promoted to the position of an Audit Supervisor before he left in 1993. In 1994, he joined FACB Industries Berhad (listed on the Main Market of Bursa Securities) as an Assistant Accountant, where he was in charge of the overall monthly accounts of the company and its subsidiaries. In March 1995, he left FACB Industries Berhad and joined Syarikat Kit Loong Sdn Bhd in April 1995 as Senior Accountant, where he was responsible for the monthly accounts and was involved in credit control of the group operations. He left the company in December 1996.

In January 1997, he joined Hyumal Motor Sdn Bhd as Accounts and Audit Manager, where he headed the accounts division and was involved in the daily operations and the financial matters of the group, including credit control, procuring banking facilities and tax planning. In 1998, he left Hyumal Motor Sdn Bhd. In 1999, he joined Wizard Worldwide Media Sdn Bhd as Finance Manager, where his responsibilities included liaising with auditors and tax agents. He left Wizard Worldwide Media Sdn Bhd and joined Pristana Management Services Sdn Bhd in 2000 as a Senior Accountant, where he headed the property division's account department until June 2002. In July 2002, he joined Dceil Sdn Bhd as a Senior Group Accountant and was subsequently promoted to Finance Director of Dceil International Bhd (listed on the then Second Board of Bursa Securities in 2004). He left Dceil International Bhd in June 2004 and proceeded to render freelance accounting services to Win Hwa Enterprise Sdn Bhd, a company principally involved in trading of industrial bearings from 2004 to 2006.

In July 2004, he took on the position of a Chief Financial Officer at Mal Wah Construction Products Sdn Bhd and resigned from the company in January 2005.

In February 2005, he joined Muafakat Kekal Sdn Bhd as a Property Marketing Manager until his resignation in June 2006.

In 2007, he joined Topaz Evergreen Sdn Bhd as a General Manager-Finance, where he managed the finance department. He left Topaz Evergreen Sdn Bhd in July 2009.

In August 2009, he joined MSM Metal Industries Sdn Bhd as the Chief Financial Officer to manage the group's accounts and assist the group in their listing of their holding company, Mann Seng Metal International Ltd ("Mann Seng") on the Catalist Market of the Singapore Exchange Securities Trading Limited in 2010. Upon listing, he became the Executive Director of Mann Seng and Chief Financial Officer of the Mann Seng group where he was mainly

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

responsible for the management of the group's accounts, cash flow, corporate finance, financial reporting, risk management evaluation, audit, tax compliance and administration.

He left Mann Seng in March 2011 and joined Federal Paint Manufacturing (M) Sdn Bhd as Chief Financial Officer in April 2011 where he headed the group's accounts and finance. In 2014, he left to join Green Ocean Corporation Berhad (listed on the ACE Market of Bursa Securities) on 27 January 2014 as the Chief Financial Officer, a position he held until 6 August 2018, where he was mainly responsible for the periodic financial reporting, credit control, budgeting, tax planning, coordination of corporate exercises and procurement of banking facilities.

He joined our Group on 15 May 2019 as the Chief Financial Officer, where he is responsible for our Group's financial, tax and accounting matters as well as corporate finance related matters.

Please refer to Section 5.3.4 below for details of Mr Yong's directorships in other companies and principal business activities performed outside our Group.

He has no family relationship with the Promoters, substantial shareholders, Directors and other key management of our Group.

Lai Shu San

Senior Operation Manager

Lai Shu San, a Malaysian aged 49, is our Senior Operation Manager. She is primarily responsible for managing the human resource department and the general administrative matters of our Group.

In 1992, she graduated with a NCC (National Computer Centre) Diploma in Computer Studies from Informatics Institute, Klang, Malaysia (which has since ceased operation).

Upon graduation, she commenced her career as Computer Programmer in the IT Department of Amalgamated Steel Mills Berhad (subsequently listed on the then Main Board of Bursa Securities in 1994). In 1993, she left her first job and joined Omega Securities Sdn Bhd as an Administration Supervisor and was responsible for supervising the administrative tasks in the company. In 1994, she left Omega Securities Sdn Bhd and joined Sitt Tatt Logistics Sdn Bhd as a Personal Assistant to the Managing Director of the company. In 1996, she left Sitt Tatt Logistics Sdn Bhd and joined MBT (Malaysia) Sdn Bhd as a Sales Secretary, and was tasked with handling the sales administrative functions of the company. She left MBT (Malaysia) Sdn Bhd in 2000.

In 2001, she joined Econframe Marketing when it was incorporated to assist her spouse, Lim Chin Horng, in the setting up of the human resource and other administrative departments of Econframe Marketing. She currently holds the position of Senior Operation Manager and is primarily responsible for overseeing the human resource and overall administrative functions of our Group.

Please refer to Section 5.3.4 below for details of her principal business activities performed outside our Group.

She is the spouse of Lim Chin Horng and sister-in-law of Lim Saw Nee.

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

Yong Chaw Ang

Production Manager

Yong Chaw Ang, a Malaysian aged 39, is our Production Manager. She is responsible for overseeing the production of metal door and window frames produced by our Group as well as procurement of ironmongery.

She completed an accounting course at ALC College, (now known as Peninsula College) Malaysia and earned a Higher Diploma in Accounting in 2002. In 2003, she commenced her career with Kwangly Auto Sdn Bhd, a motorcar dealer, as an Administrative and Accounts Executive, where she handled general administrative tasks and also assisted in the preparation of management reports and monthly accounts. She left Kwangly Auto Sdn Bhd in May 2006.

In June 2006, she joined Econframe Marketing as an Administrative Executive. She was initially in charge of preparing delivery orders and providing quotations to customers for the metal door and window frames produced by Econframe Marketing.

In 2017, she was re-designated to Production Manager, where she plans the schedules for the production of metal door and window frames and coordinates with the production team to ensure timely delivery to the customers. She is also in charge of negotiating with the OEM suppliers for the procurement of ironmongery.

Please refer to Section 5.3.4 below for details of her directorship in other company and principal business activities performed outside our Group.

She has no family relationship with the Promoters, substantial shareholders, Directors and other key management of our Group.

Soi Wen Li

Purchasing Manager

Soi Wen Li, a Malaysian aged 43, is our Purchasing Manager. She is responsible for the procurement of raw materials for the production activities of our Group.

After completing her 6th-form education, she commenced her career in 1998 with Arm Shield Sdn Bhd, which activities included manufacturing of electrical products, as a Production Clerk, where she coordinated the deliveries of the products and assisted in other administrative tasks. In 2010, she left the company to join Triplast Plastic Industries Sdn Bhd, a plastic product manufacturer, as a Production Planner where she was tasked with the procurement of planning of materials requisition for production.

In 2013, she joined Econframe Marketing as a Purchasing Executive, where she was initially responsible for tracking the level of stock against customers' orders and monitoring the overall supply of materials required for production. In 2017, she was re-designated to Purchasing Manager, where she is in charge of monitoring the price and supply of raw materials, liaising and negotiating with suppliers and purchasing the required raw materials in and outside Malaysia.

She has no family relationship with the Promoters, substantial shareholders, Directors and other key management of our Group.

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

Ang Sze Cie

Production Controller

Ang Sze Cie, a Malaysian aged 28, is our Production Controller. She is primarily responsible for overseeing the production of the fire resistant door and metal door produced by our Group.

After completing her secondary school education in 2009, she joined Herald Remittance Sdn Bhd, a company which was conducting remittance business, as a General Clerk, assisting with filing general administrative work. Immediately after leaving Herald Remittance Sdn Bhd, she joined Econframe Marketing in 2012 as an Administrative Executive, where she was responsible for assisting in the administrative aspect of the production planning, which included preparing the quotations, delivery orders and purchase orders for the customers. In 2017, she was re-designated to Production Controller, where she arranges the production schedule, coordinates the various stages of production of fire resistant door and metal door, and prepares the overall report on the production.

She has no family relationship with the Promoters, substantial shareholders, Directors and other key management of our Group.

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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 in the past 5 years up to the LPD:

(a) Yong Wai Kin

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
JQ Resources Sdn Bhd	Dissolved on 26 November 2019. It was previously a dormant company and did not commence any business activities since incorporation	Director / Substantial Shareholder	1 March 2013	-	50.0	-
ACE Edible Oil Industries Sdn Bhd ⁽¹⁾	Palm kernel crushing, refining of palm oil and palm kernel oil; trading of refined palm oil	Director	28 August 2014	26 September 2017	-	-
Federal Holdings Berhad	Dissolved on 28 June 2019. It was previously a dormant company as it was incorporated for purposes of a listing application which did not take materialise	Director / Substantial Shareholder	16 August 2011	30 September 2012	8.23	-

Note:

- (1) ACE Edible Oil Industries Sdn Bhd is a subsidiary of Green Ocean Corporation Berhad, a company listed on the ACE Market of Bursa Securities, during the period Yong Wai Kin was a director of this company.

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

(b) Yong Chaw Ang

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Simplicitic Innovations Sdn Bhd	Business of advertising, media website, mobile app design	Director / Substantial Shareholder	20 May 2014	-	10.0	-
<u>Past involvement</u>						
Bestfloor Sdn Bhd	Dissolved on 19 June 2020. It was previously involved in trading of wooden flooring	Substantial Shareholder	-	-	15.0	-

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

(c) Lai Shu San

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Magna Dynamic Resources Sdn Bhd	Dissolved on 22 June 2018. It was previously involved in the trading of hardware and subsequently became a dormant company	Director / Substantial Shareholder	26 August 2005	-	50.0 ⁽¹⁾	-
IBS Door Systems Sdn Bhd	Dormant. It did not commence any business activities since incorporation	Substantial Shareholder	-	-	30.0 ⁽²⁾	-

Notes:

- (1) Her spouse, Lim Chin Horng owned the remaining 50.0% equity interest.
- (2) Her spouse, Lim Chin Horng owned the remaining 70.0% equity interest. Lim Chin Horng and Lai Shu San have since disposed their shares on 16 February 2020.

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.

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

5.3.5 Key senior management remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for the FYEs 2019 and 2020 are as follows:

FYE 2019	(in bands of RM50,000)		
	⁽¹⁾ Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
Yong Wai Kin ⁽²⁾	0 - 50	0 - 50	0 - 50
Lai Shu San	50 - 100	0 - 50	50 - 100
Yong Chaw Ang	50 - 100	0 - 50	50 - 100
Soi Wen Li	50 - 100	0 - 50	50 - 100
Ang Sze Cie	50 - 100	0 - 50	50 - 100
FYE 2020			
Yong Wai Kin ⁽²⁾	100 - 150	0 - 50	100 - 150
Lai Shu San	100 - 150	0 - 50	100 - 150
Yong Chaw Ang	100 - 150	0 - 50	100 - 150
Soi Wen Li	50 - 100	0 - 50	50 - 100
Ang Sze Cie	50 - 100	0 - 50	50 - 100

Notes:

(1) The remuneration for key senior management includes salaries, bonuses, allowances as well as other benefits. The bonuses for the FYE 2020 were paid prior to the completion of the Acquisitions. Bonuses, if any, moving forward will be determined later depending on the performance of our Group, subject to the recommendation of the Remuneration Committee and approved by our Board.

(2) Yong Wai Kin joined our Group as Chief Financial Officer in May 2019.

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

5.4 BOARD PRACTICE

5.4.1 Board

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

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

- (i) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (ii) To set, review and adopt strategic plans, values and standards for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (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 our 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 on Corporate Governance;
- (v) To review and approve our annual business plans, financial statements and annual reports;
- (vi) To supervise and assess management performance to determine whether the business is being properly managed;
- (vii) 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;
- (viii) To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- (ix) To ensure the integrity of our Company's financial and non-financial reporting; and
- (x) 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 our Board committees and deliberate on the recommendations thereon.

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

As at the 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⁽¹⁾	Approximate no. of years in office as at the LPD
Robert Koong Yin Leong	11 February 2020	Subject to retirement by rotation at our first AGM	< 1
Lim Chin Horng	13 February 2020	Subject to retirement by rotation at our first AGM	< 1
Khoo Soon Beng	13 February 2020	Subject to retirement by rotation at our first AGM	< 1
Lim Saw Nee	13 February 2020	Subject to retirement by rotation at our first AGM	< 1
Tan Hock Soon	11 February 2020	Subject to retirement by rotation at our first AGM	< 1
Ilham Fadilah Binti Sunhaji	11 February 2020	Subject to retirement by rotation at our first AGM	< 1

Note:

- (1) In accordance with our Constitution, an election of Directors shall take place each year at the AGM 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 and Risk Management Committee

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

The key duties and responsibilities of our Audit and Risk Management Committee include, amongst others, the following:

- (i) To review the engagement, compensation, performance, qualification 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;

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

- (ii) To review and recommend our quarterly and annual financial statements for approval by our Board before announcement to regulatory bodies, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from our audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) To conduct periodic review of the involvements of our Managing Director and Executive Director in the companies outside of our Group, in which they have executive functions to ensure that it does not affect their role and responsibilities within our Group;
- (iv) To review and monitor any related party transaction/business dealings entered into by our Group and any conflict of interest situation that may arise within our Group to ensure that they are conducted on arms' length basis and based on terms that are fair to our Group;
- (v) To oversee and recommend the risk management policies and procedures of our Group;
- (vi) To review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
- (vii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (viii) To set reporting guidelines for our Management to report to the committee on the effectiveness of our Group's management of its business risks;
- (ix) To review the risk profile of our Group and to evaluate the measure taken to mitigate the business risks;
- (x) To review the adequacy of our Management's response to issues identified to risk registers, ensuring that our risks are managed within our Group's risk appetite;
- (xi) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conduct our business and affairs;
- (xii) To enhance our accountability in preserving our integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all our stakeholders;
- (xiii) To consider the major findings of internal investigations and our Management's response;
- (xiv) To do the following, in relation to the internal audit function:
 - (a) consider and approve the appointment of internal auditors, internal audit fee and any question of resignation or dismissal;
 - (b) review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

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

- (c) review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
 - (d) consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by our Management in response to audit findings;
 - (e) review and decide on the budget allocated to the internal audit function;
 - (f) appraise or assess the performance of members of the internal audit function; and
 - (g) monitor the overall performance of our Company's internal audit function.
- (xv) To verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of our Company, if any; and
- (xvi) To perform such other functions as may be requested by our Board.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board. The members of our Audit and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Tan Hock Soon	Chairman	Independent Non-Executive Director
Robert Koong Yin Leong	Member	Independent Non-Executive Chairman
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director

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 the remuneration, fee and other benefits of our Board and key senior management. The terms of reference of our Remuneration Committee include the following:

- (i) To recommend a framework of remuneration for our Managing Director, Executive Director and key senior management for our Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain our Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (ii) To recommend remuneration packages for our Managing Director, Executive Director and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for our Non-Executive Director and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;

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

- (iii) To formulate and periodically review policies and procedures to determine the remuneration of our Managing Director and Executive Director and key senior management;
- (iv) To implement the policies and procedures on remuneration including recommending matters relating to the remuneration of our Board and key senior management;
- (v) To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run our Company successfully;
- (vi) To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of our Company and to link rewards to our Company's strategy and performance;
- (vii) To ensure that the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board;
- (viii) To act in line with the directions of our Board;
- (ix) To consider and examine such other matters as the Remuneration Committee considers appropriate; and
- (x) To consider any other relevant matters as delegated 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 the LPD are as follows:

Name	Designation	Directorship
Robert Koong Yin Leong	Chairman	Independent Non-Executive Chairman
Tan Hock Soon	Member	Independent Non-Executive Director
Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director

5.4.4 Nomination Committee

The main function of our Nomination Committee is to assist our Board in fulfilling its responsibility in nominating new nominees to our Board and Board committees and ensure that their compositions meet the needs of our Company. The terms of reference of our Nomination Committee include the following:

- (i) To formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of our Company;
- (ii) To source, identify, review and recommend candidates for appointment to our Board and Board committees, which is led by the Chairman of our Nomination Committee, taking into consideration the optimum and effective size of our Board and the candidates':
 - Character, competency, knowledge and experience;
 - Professionalism;

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

- Integrity and credibility;
 - Time commitment, particularly his number of other directorships; and
 - In the case of the candidates for the position of Independent Non-Executive Directors, our Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors;
- (iii) To recommend the re-election of Directors who are due to retire in accordance with our Constitution;
- (iv) To assess the independence of Independent Directors annually;
- (v) To consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and to take steps to ensure that women candidates are sought as part of our recruitment exercise;
- (vi) To establish and review the performance criteria to evaluate the performance of our Board, Board committees and each individual Director;
- (vii) To recommend to the Board the nominees to fill the seats on Board committees;
- (viii) To assess the effectiveness of our Board and the committees of our Board as a whole and each individual Director of our Board.
- (ix) To ensure that orientation and education programmes are provided for new members of our Board;
- (x) To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements;
- (xi) To review the terms of office and performance of our Audit and Risk Management Committee and each of its members annually to determine whether such Audit Committee and its members have carried out their duties in accordance with the terms of reference;
- (xii) To formulate and review the nomination, selection and succession policies and plans for members of our Board, Board committees and key senior management;
- (xiii) 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 business, upon receiving declaration of the same from our Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest; and
- (xiv) To act in line with the directions of our Board;
- (xv) To consider and examine such other matters as our Nomination Committee considers appropriate;
- (xvi) To consider any other relevant matters as delegated by our Board.

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

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

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

Name	Designation	Directorship
Ilham Fadilah Binti Sunhaji	Chairman	Independent Non-Executive Director
Tan Hock Soon	Member	Independent Non-Executive Director
Robert Koong Yin Leong	Member	Independent Non-Executive Chairman

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

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

- (i) Lim Chin Horng, who is our Promoter, substantial shareholder and Managing Director is:
 - (a) brother of Lim Saw Nee, our Promoter, substantial shareholder and Non-Independent Non-Executive Director; and
 - (b) spouse of Lai Shu San, member of our key senior management.
- (ii) Lim Saw Nee, who is our Promoter, substantial shareholder and Non-Independent Non-Executive Director is:
 - (a) sister of Lim Chin Horng, our Promoter, substantial shareholder and Managing Director; and
 - (b) sister-in-law of Lai Shu San, our member of key senior management.
- (iii) Lai Shu San, who is our member of key senior management is:
 - (a) spouse of Lim Chin Horng, our Promoter, substantial shareholder and Managing Director; and
 - (b) sister-in-law of Lim Saw Nee, who is our Promoter, substantial shareholder and Non-Independent Non-Executive Director.

5.6 EXISTING OR PROPOSED SERVICE CONTRACTS

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

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

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (i) In the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (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 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 such person, 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) Have any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON ECONFRAME

Our Company was incorporated in Malaysia under the Act on 27 November 2019 as a private limited company under the name of Econframe Sdn Bhd. On 21 February 2020, we converted into a public limited company under our present name. We are an investment holding company. Through our subsidiaries, we are principally involved in the following activities:

- (i) Design and manufacturing of metal door frames;
- (ii) Manufacturing of fire resistant door sets;
- (iii) Manufacturing of metal doors; and
- (iv) Trading of wooden doors and ironmongery.

There have been no material changes in the manner in which we conduct our business or activities since the incorporation of our Company up to the LPD.

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

6.2 SHARE CAPITAL

Our share capital as at the LPD is RM26,000,090 comprising 260,000,000 Shares. The movements in our share capital since our incorporation are set out below:

Date of allotment	No. of shares allotted	Consideration (RM)	Nature of transaction	Cumulative issued share capital (RM)
27 November 2019	1	1	Subscriber's share	1
10 February 2020	99	99	Issue for cash	100
1 August 2020	242,300,000	24,230,000	Issue pursuant to the Acquisition of Econframe Marketing	24,230,100
1 August 2020	17,699,900	1,769,990	Issue pursuant to the Acquisition of Econframe Pre-Hung	26,000,090

As at the LPD, we do not have any outstanding warrants, options, convertible securities or 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 the our IPO, our enlarged share capital will increase from RM26,000,090 comprising 260,000,000 Shares to RM44,200,090 comprising 325,000,000 Shares.

6. INFORMATION ON OUR GROUP (Cont'd)**6.3 INTERNAL RESTRUCTURING**

We have undertaken the Internal Restructuring in preparation for our Listing.

6.3.1 Acquisition of Econframe Marketing

On 12 February 2020, we entered into a conditional share sale agreement with Econframe Marketing Vendors to acquire the entire equity interest in Econframe Marketing comprising 1,000,000 ordinary shares for a total purchase consideration of RM24,230,000.00. The purchase consideration for the Acquisition of Econframe Marketing was satisfied by the issuance of 242,300,000 new Shares to the Econframe Marketing Vendors at an issue price of RM0.10 each.

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Lim Chin Horng	499,000	49.9	12,090,770.00	120,907,700
Lim Saw Nee	501,000	50.1	12,139,230.00	121,392,300
Total	1,000,000	100.0	24,230,000.00	242,300,000

The Acquisition of Econframe Marketing was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 10 July 2020. The Acquisition was completed on 1 August 2020. Thereafter, Econframe Marketing became our wholly-owned subsidiary. The total purchase consideration of RM24,230,000.00 for the Acquisition of Econframe Marketing was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Econframe Marketing as at 31 August 2019 of RM24,236,552.00.

The new Shares issued under the Acquisition of Econframe Marketing 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 issuance of the new Shares.

6.3.2 Acquisition of Econframe Pre-Hung

On 12 February 2020, we entered into a conditional share sale agreement with Econframe Pre-Hung Vendors to acquire the entire equity interest in Econframe Pre-Hung comprising 100,000 ordinary shares for a total purchase consideration of RM1,769,990.00. The purchase consideration for the Acquisition of Econframe Pre-Hung was satisfied by the issuance of 17,699,900 new Shares to Econframe Pre-Hung Vendors at an issue price of RM0.10 each.

The details of Econframe Pre-Hung Vendors and the number of Shares issued to them under the Acquisition of Econframe Pre-Hung are as follows:

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Lim Chin Horng	65,000	65.0	1,150,493.50	11,504,935
Khoo Soon Beng	35,000	35.0	619,496.50	6,194,965
Total	100,000	100.0	1,769,990.00	17,699,900

6. INFORMATION ON OUR GROUP (Cont'd)

The Acquisition of Econframe Pre-Hung was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 10 July 2020. The Acquisition was completed on 1 August 2020. Thereafter, Econframe Pre-Hung became our wholly-owned subsidiary. The total purchase consideration of RM1,769,990.00 for the Acquisition of Econframe Pre-Hung was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Econframe Pre-Hung as at 31 August 2019 of RM1,772,522.00.

The new Shares issued under the Acquisition of Econframe Pre-Hung 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 issuance of the new Shares.

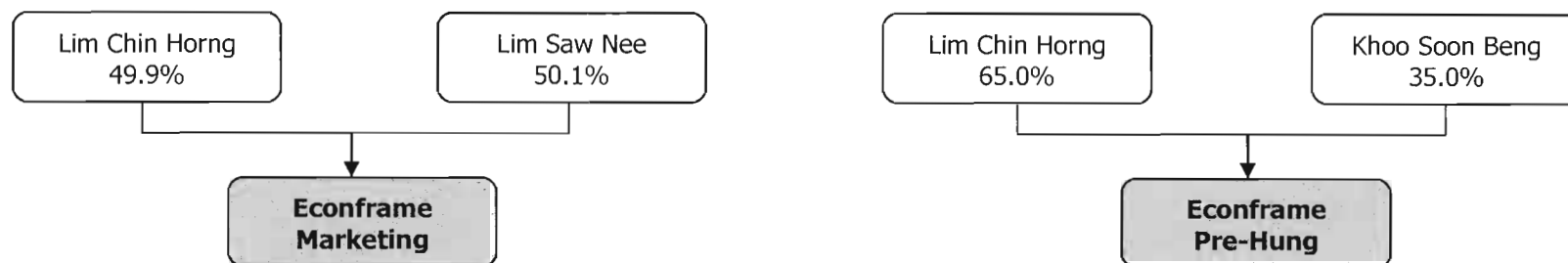
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6. INFORMATION ON OUR GROUP (Cont'd)

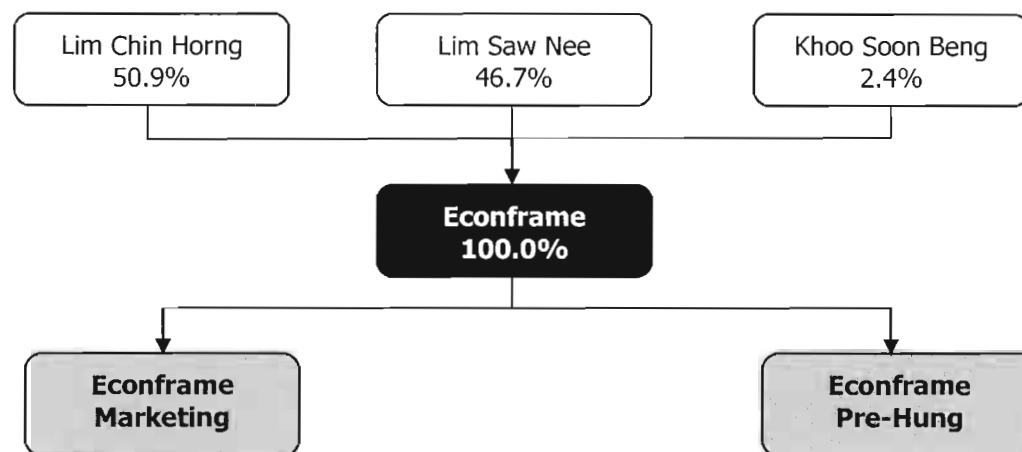
6.3.3 Group structure

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

(a) Before the Acquisitions, Public Issue and Offer for Sale

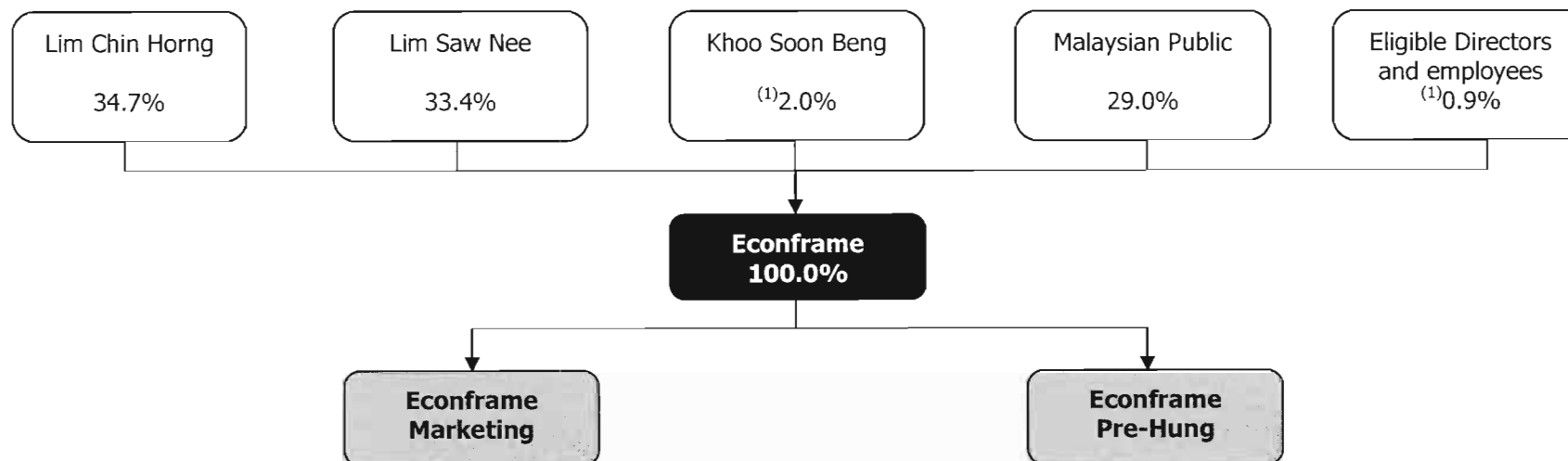


(b) After the Acquisitions but before Public Issue and Offer for Sale



6. INFORMATION ON OUR GROUP (Cont'd)

(c) After the Acquisitions, Public Issue and Offer for Sale



Note:

(1) Assuming that the eligible Directors and employees will fully subscribe for their entitlement under the Pink Form Allocations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 OUR SUBSIDIARIES

As at the LPD, we do not have any associate company. Details of our subsidiaries are summarised as follows:

Company	Registration No.	Date/Place of incorporation	Principal place of business	Effective equity interest	Principal Activities
Econframe Marketing	200101021288 (557046-U)	23 August 2001/ Malaysia	Malaysia	100.0%	Manufacturing and sales of doors, door and window frames and trading of ironmongery
Econframe Pre-Hung	201001002657 (887237-V)	21 January 2010 / Malaysia	Malaysia	100.0%	Trading of doors

6.4.1 Information on Econframe Marketing

(i) Share Capital

As at the LPD, Econframe Marketing has an issued share capital of RM1,000,000 comprising 1,000,000 ordinary shares. Details of the changes in the issued share capital of Econframe Marketing since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration (RM)	Nature of transaction	Cumulative issued share capital (RM)
23 August 2001	100,000	100,000	Subscriber's shares	100,000
23 April 2004	400,000	400,000	Issue for cash	500,000
20 March 2007	500,000	500,000	Issue for cash	1,000,000

There were no discounts, special terms or instalment payment terms given in the consideration of the allotment. As at the LPD, Econframe Marketing does not have any outstanding warrants, options, convertible securities and uncalled capital.

(ii) Shareholders and directors

As at the LPD, Econframe Marketing is a wholly-owned subsidiary of Econframe. The directors of Econframe Marketing are Lim Chin Horng and Lim Saw Nee.

(iii) Subsidiary and associate company

As at the LPD, Econframe Marketing does not have any subsidiary and/or associate company.

6. INFORMATION ON OUR GROUP (Cont'd)**6.4.2 Information on Econframe Pre-Hung****(i) Share Capital**

As at the LPD, Econframe Pre-Hung has an issued share capital of RM100,000 comprising 100,000 ordinary shares. Details of the changes in the issued share capital of Econframe Pre-Hung since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration (RM)	Nature of transaction	Cumulative issued share capital (RM)
21 January 2010	100,000	100,000	Subscriber's shares	100,000

There were no discounts, special terms or instalment payment terms given in the consideration of the allotment. As at the LPD, Econframe Pre-Hung does not have any outstanding warrants, options, convertible securities and uncalled capital.

(ii) Shareholders and directors

As at the LPD, Econframe Pre-hung is a wholly-owned subsidiary of Econframe. The directors of Econframe Pre-Hung are Lim Chin Horng and Khoo Soon Beng.

(iii) Subsidiary and associate company

As at the LPD, Econframe Pre-Hung does not have any subsidiary and/or associate company.

6.5 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to the 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.

6.6 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for the FYEs 2017 to 2019, FPE 2020 and up to the date of this Prospectus:

- (i) Sale and purchase agreement dated 27 April 2017 entered into between Econframe Marketing and Kenwingston Seven Up Sdn Bhd for the acquisition by Econframe Marketing of a condominium unit measuring 450 sq ft bearing the postal address of B2-23-09, Aras 23, Blok B2, Kenwingston Residence, Kenwingston Square Garden, Persiaran Bestari, Cyber 9, 63000 Cyberjaya, Selangor for the purchase price of RM359,000.00. The acquisition was completed on 12 February 2019 and this property is currently vacant;

6. INFORMATION ON OUR GROUP (Cont'd)




- (ii) The share sale agreement dated 12 February 2020 entered into between our Company and the Econframe Marketing Vendors for the Acquisition of Econframe Marketing, which was completed on 1 August 2020;
- (iii) The share sale agreement dated 12 February 2020 entered into between our Company and the Econframe Pre-Hung Vendors for the Acquisition of Econframe Pre-Hung, which was completed on 1 August 2020;
- (iv) The sale and purchase agreement dated 29 May 2020 entered into between Econframe Marketing and Daniel Thanam A/L Divean for the disposal of a piece of land held under HS (M) 2282, PT 12153, Mukim Kapar, Daerah Klang, Negeri Selangor measuring an area of approximately 33.5369 square metres together with all structures thereon for a consideration of RM10,000.00. The disposal of this property was completed on 22 July 2020; and
- (v) Underwriting Agreement dated 25 August 2020 for the underwriting of 19,500,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares being underwritten.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 TRADEMARKS

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

No	Trademark	Applicant/ Registered owner/Licensee	Trademark application No./Class	Description	Place of registration	Issuing Authority	Validity period
(a)		Econframe Marketing	2010008596 / Class 6	Door frames of metal	Malaysia	Intellectual Property Corporation of Malaysia	25 June 2020 to 17 May 2030
(b)		Econframe Marketing	2015007327 / Class 6	Locks (other than electric) of metal; Locking apparatus of metal; Locking devices of metal for doors; Furniture and window; Lock bolts; Door locks of metal; Lock parts of metal; Common metals and their alloys; Ironmongery; Small items of metal hardware; Goods of common metal not included in other classes; Door casings of metal; Door fittings of metal; Doors of metal	Malaysia	Intellectual Property Corporation of Malaysia	13 July 2015 to 13 July 2025
(c)		Econframe Marketing	2015007326 / Class 19	Door of woods; Door casings not of metal; Door frames not of metal; Door panels not of metal; Building materials (non-metallic), Plywood; Wood panelling; Wood paving; Wood pulp board for building; Woods semi worked; Wood veneers.	Malaysia	Intellectual Property Corporation of Malaysia	13 July 2015 to 13 July 2025

6. INFORMATION ON OUR GROUP (Cont'd)

No	Trademark	Applicant/ Registered owner/Licensee	Trademark application No./Class	Description	Place of registration	Issuing Authority	Validity period
(d)		Econframe Marketing ⁽¹⁾	26125451 / Class 6	Latch bars of metal; chains of metal; sash pulleys; door springs, non-electric; door handles of metal; hardware of metal, small; bolts, flat; hinges of metal; fittings of metal for furniture; domestic metal track rail	China	China National Intellectual Property Administration	21 September 2018 to 20 September 2028
(e)		Econframe Marketing	2020003228 / Class 19	Door of woods; door casings not of metal; door frames not of metal; door panels not of metal; building materials (non-metallic), plywood; window frames, not of metal; wood panelling; wood paving; wood pulp board for building; woods semi worked; wood veneers	Malaysia	Intellectual Property Corporation of Malaysia	N/A ⁽²⁾

Notes:

(1) This trademark was assigned by Lim Chin Horng to Econframe Marketing effective 20 April 2020.

Currently, our Group's ironmongery is OEM in China under our DUROE[®] brand. As the DUROE[®] brand awareness is gaining traction in the Malaysian market as well as in the South East Asian market via trade exhibitions, our main objective of registering our DUROE[®] trademark in China is in anticipation of our planned entry into the market in China in the future as well as to protect our brand from infringement by third party(s) in China.

Our Group has not recorded any sales from China since 21 September 2018 up to the LPD.

(2) We have submitted a new application for the registration of this trademark under Class 19 on 19 February 2020. As at LPD, the application is under formality validation which entails the examination of the submitted documents for compliance with formal requirements. The estimated timeframe for approval for the registration of trademark is typically 12 months from the date of application.

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

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Properties owned by our Group

The summary of the information on the material land and buildings owned by our Group as at the LPD are set out below:

No.	Registered owner/ Title details/ Postal address	Category of land use / Tenure	Description of property/ Existing use/ Age of building	Express Conditions / Restriction-in-interest / Encumbrances	Land area/ Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV as at 31 May 2020 RM'000
(i)	Econframe Marketing No. 1, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor ("Factory 1") Held under HS(M) 2255, 2256 and 2258, PT 12126, 12127 and 12129 Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial / Freehold land	2 storey semi-detached factory Currently used as our centralised main office and manufacturing space of our Group 38 years	Express Condition: Industrial building Restriction-in-interest: None Encumbrances: Charged to Hong Leong Islamic Bank Berhad	Land Area: 6,157 sq ft Built-up Area: Approximately 7,807 sq ft	CF dated 24 March 1982 ⁽¹⁾	1,890

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Title details/ Postal address	Category of land use / Tenure	Description of property/ Existing use/ Age of building	Express Conditions / Restriction-in-interest / Encumbrances	Land area/ Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV as at 31 May 2020 RM'000
(ii)	Econframe Marketing No. 3, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor ("Factory 2") Held under HS(M) 2257 and 2259, PT 12128 and 12130, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial / Freehold land	2 storey semi-detached factory Currently used as manufacturing space of our Group 38 years	Express Condition: Industrial building Restriction-in-interest: None Encumbrances: Charged to Hong Leong Islamic Bank Berhad	Land Area: 5,480 sq ft Built-up area: Approximately 7,130 sq ft	CF dated 24 March 1982 ⁽¹⁾	1,741
(iii)	Econframe Marketing No. 4, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor ("Factory 3") Held under HS(M) 2277 PT 12148, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial / Freehold land	2 storey semi-detached factory Currently used as manufacturing space of our Group 38 years	Express Condition: Industrial building Restriction-in-interest: None Encumbrances: Charged to Hong Leong Islamic Bank Berhad	Land Area: 7,207 sq ft Built-up Area: Approximately 9,271 sq ft	CF dated 24 March 1982 ⁽¹⁾	2,089

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Title details/ Postal address	Category of land use / Tenure	Description of property/ Existing use/ Age of building	Express Conditions / Restriction-in-interest / Encumbrances	Land area/ Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV as at 31 May 2020 RM'000
(iv)	Econframe Marketing No. 102, Jalan 27, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor ("Factory 4") Held under HS(M) 2280 and 2281, PT 12151 and 12152, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial / Freehold land	2 storey semi-detached factory Currently used as warehouse and manufacturing space of our Group 38 years	Express Condition: Industrial building Restriction-in-interest: None Encumbrances: Charged to Hong Leong Islamic Bank Berhad	Land Area: 9,026 sq ft Built-up Area: Approximately 15,386 sq ft	CF dated 24 March 1982 ⁽¹⁾	2,671
(v)	Econframe Marketing No. B2-23-09, Aras 23, Blok B2 Kenwingston Residence Kenwingston Square Garden Persiaran Bestari, Cyber 9 63000 Cyberjaya, Selangor Erected on part of the land held under HSD 34452, PT48517, Mukim Dengkil, Daerah Sepang, Negeri Selangor (master title)	N/A ⁽²⁾ / Freehold land	Condominium unit Vacant 3 years	Express condition N/A ⁽³⁾ Restriction-in-interest N/A ⁽³⁾ Encumbrances: Assigned to Hong Leong Islamic Bank Berhad	Land Area: N/A Built-up Area: 450 sq ft	CCC dated 9 January 2019	324

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

Notes:

- (1) We made certain additions to the front, side and back portions of the original structure, which include, but not limited to metal decking roofs over the existing factories, metal louvers, metal frame partition walls, storage cabins, septic tanks and toilets ("Additions") whereby MPK had certified the 'as-built' drawing plan for the Additions and issued an approval for these Additions as permitted temporary structures under the By-Law 19(2) of the Building By-Laws for a period of 10 years, vide its letter dated 11 June 2019 ("Approval"). Pursuant to the Approval, the Structure Permit is to be renewed annually. It is also a condition in the Approval that the Additions are to be removed prior to the expiry of the 10 year period, which period commenced from 29 May 2019, being the issuance date of the initial Structure Permit ("Initial Permit").

By-Law 19(2) grants the local authority the discretion to issue a temporary permit for the erection of a temporary building which shall be subject to all or some of the conditions as set out in the First Schedule to the Building By-Laws. The First Schedule of the Building By-Laws contains the schedule of fees to be paid for the consideration of plans, permits etc by MPK.

The Initial Permit was issued by MPK to us with the following conditions:

1. *The permit is valid until 31 December 2019*
2. *Ensure that the constructed building is in accordance with the certified plan.*
3. *Ensure that the available public amenities owned by the MPK are not damaged.*
4. *MPK can revoke the permit and forthwith take down, remove or demolish the temporary structure / building material if any of these conditions is not complied with. All costs will be borne by the owner of the structure.*
5. *This approval will not preclude the applicant from having to obtain the approval of other local authorities.*
6. *If company plans to retain the structure in 2020, application for the renewal permit must be submitted to MPK in September 2019.*
7. *This structure permit is only for the structure that has been applied for and approved. It cannot be used for other structures.*
8. *MPK is free from any action or claim of damages as a result of the approval given under this permit.*
9. *Must take the necessary steps to ensure the surrounding area is clean.*
10. *MPK has the right to make any amendments or to cancel the permit in the event of a breach of the conditions.*
11. *Application for permit is processed by Jabatan Bangunan Aras 2, Lot 2-12, Jalan Raya Barat, 41000 Klang Bandar Diraja, Selangor*

Subsequently, the Initial Permit was successfully renewed and the renewed current Structure Permit ("Current Permit") was issued with the same identical conditions as the Initial Permit, save that the dates for items 1 and 6 were revised accordingly to the following:

- (a) *The permit is valid until 31 December 2020.*
- (b) *If company plans to retain the structure in 2021, application for the renewal permit must be submitted to MPK in October 2020.*

6. INFORMATION ON OUR GROUP (Cont'd)

As the Structure Permit was issued at the discretion of MPK pursuant to By-Law 19(2), MPK also has the right to revoke or not renew the Structure Permit. This discretion is inherent with all authorities empowered to grant any licences, permits or approvals. One of the conditions imposed in the Initial Permit and Current Permit ("Conditions") expressly state that MPK can cancel the Structure Permit in the event we breach any of the Conditions. It would be reasonable to assume that we will have to be in compliance of the Conditions to enable the renewal of the Current Permit. As such, we will endeavour to comply with the Conditions and any additional conditions which may be imposed by MPK from time to time to avoid the non-renewal or cancellation of the Structure Permit.

The chances of non-renewal of the Structure Permit are remote after taking into consideration the following:

- (i) the 'as-built' drawing plan containing the Additions has been certified by MPK;
- (ii) we have successfully renewed the Initial Permit; and
- (iii) most of the Conditions concern factors that are within our control and we endeavour to comply with the Conditions.

In the unlikely event of revocation or non-renewal of the Structure Permit prior to the expiry of the 10 year period, we are required to remove or demolish the Additions at our own cost. The removal or demolition of the Additions is expected to cost approximately RM65,000. The original factory buildings are issued with CFs and will not be required to be removed.

It is our intention to relocate/ expand our operations to a larger facility which will be purpose built. This also forms part of our rationale to embark on the Listing to raise the necessary funding to finance the implementation of such plan. Kindly refer to Sections 4.9(i) and 7.17(ii)(a) for further details of our plan.

As we conduct the majority of our manufacturing operation out of the area within the factories that were subject to the Additions, the revocation or non-renewal of the Structure Permit prior to our eventual relocation to our new factory as mentioned above would result in a temporary halt in our manufacturing operations. This would consequently result in a delay in the delivery of our products and in our inability to meet some of our customers' demand in a timely manner. Our manufacturing operations will be disrupted until we relocate to a new rented premise(s) within the notice period specified by MPK. We will also need to apply for and obtain the necessary permits and licenses prior to the commencement of the manufacturing operations in the new premise(s). The entire process of setting up and relocating the manufacturing operations to the new premise(s) will require a minimum of 2 months and will also incur costs such as relocation cost and application for permit/licenses costs which is estimated to be approximately RM50,000. Additionally, during the 2 months non-operational period, we estimate to incur a loss of approximately RM0.55 million per month.

Upon the relocation to our new factory as part of our eventual plan referred to in Sections 4.9(i) and 7.17(ii)(a), the Structure Permit no longer applies and will not have any effect on our overall business and financial performance.

During the FYEs 2017, 2018 and 2019 and FPE 2020, there were no material changes or enhancements made to these properties.

6. INFORMATION ON OUR GROUP (Cont'd)

We intend to submit our application to MPK in October 2020 for the renewal of the Structure Permit.

- (2) This property was purchased on a goodwill basis in support of our customer who is the developer for the said property and not on a pre-contractual basis arrangement. As at the LPD, the individual strata title for this property has yet to be issued.

Save as disclosed in note (1), there is no breach of any other land use conditions and/or non-compliance with current statutory requirements, land rules or building regulations/by-laws relating to the above properties as at the LPD.

6.8.2 Properties rented by our Group

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

No.	Postal address/ Type of properties rented	Landlord/ Tenant	Description/ Existing use	Built-up area sq ft	Date of issuance of CCC	Period of tenancy/ Rental per annum
(i)	A16-11, Trefoil@Setia City No. 2, Jalan Setia Dagang AH U13/AH Setia Alam Seksyen U13 40170 Shah Alam Selangor	Yau Fair Fong/ Econframe Marketing	Residential unit/ Staff accommodation	Approximately 485 sq ft	5 November 2015	1 July 2020 to 30 June 2021/ RM10,560
(ii)	A-02-34, Pangsapuri Rimba Jaya Jalan Lengkuas 16/19 Seksyen 16 40200 Shah Alam Selangor	Krishnan A/L Karuppan / Econframe Marketing	Residential unit/ Staff accommodation	Approximately 650 sq ft	10 May 2010	15 February 2020 to 15 February 2021/ RM8,400
(iii)	A-02-33, Pangsapuri Rimba Jaya Jalan Lengkuas 16/19 Seksyen 16 40200 Shah Alam Selangor	Adimurum @ Logiswaran / Econframe Marketing	Residential unit/ Staff accommodation	Approximately 650 sq ft	10 May 2010	15 February 2020 to 15 February 2021/ RM8,400

As at the LPD, the properties rented by our Group are not 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.

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

Save as disclosed below, we have not entered into any sale and purchase agreements to acquire any properties during the FYEs 2017 to 2019, FPE 2020 and up to the LPD:

- (i) Sale and purchase agreement dated 27 April 2017 entered into between Econframe Marketing and Kenwingston Seven Up Sdn Bhd for the acquisition by Econframe Marketing of a condominium unit measuring 450 sq ft bearing the postal address of B2-23-09, Aras 23, Blok B2, Kenwingston Residence, Kenwingston Square Garden, Persiaran Bestari, Cyber 9, 63000 Cyberjaya, Selangor for the purchase price of RM359,000.00. The acquisition was completed on 12 February 2019 and this property is currently vacant.

6.8.4 Regulatory requirements and environmental issues

Our operations are subject to the validity of the major approvals, licences and permits, which are detailed in Appendix I. Save as disclosed in Appendix I, 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 investments and divestitures**(i) Material investments**

Material investments (including interests in other corporations) made by us during the FYEs 2017 to 2019, FPE 2020 and up to the LPD are as follows:

Material capital expenditure	At cost				1 June 2020 up to the LPD
	FYE 2017	FYE 2018	FYE 2019	FPE 2020	
	RM'000	RM'000	RM'000	RM'000	RM'000
Computer	-	1	9	-	-
Office equipment	12	53	19	-	-
Plant and machinery	-	-	⁽³⁾ 151	⁽⁵⁾ 113	-
Motor vehicles	⁽¹⁾ 302	-	⁽⁴⁾ 159	⁽⁶⁾ 38	-
Furniture and fittings	60	3	3	-	-
Renovation	-	-	4	⁽⁷⁾ 207	-
Capital work-in-progress ⁽²⁾	36	162	126	-	-
Right-of-use assets	-	-	-	⁽⁸⁾ 32	-
Total	410	219	471	390	-

Notes:

- (1) Relates to the acquisition of 3 motor vehicles for general car pool purposes for business/site meetings.
- (2) Relates to the progress payments in respect of the acquisition of 1 unit of condominium located at Cyberjaya, Selangor which was purchased in the FYE 2017.
- (3) Purchase of 1 unit of hydraulic cold press machine and 1 unit of stamping machine for the production of metal door frame.

6. INFORMATION ON OUR GROUP (Cont'd)

- (4) Purchase of 1 unit of lorry for delivery of finished goods, 1 unit of forklift for production, and 1 unit of motorbike for despatch.
- (5) Purchase of 2 units of wood press machine, 1 unit of double side glue spreader and 1 unit of forklift for the production of our fire resistant doors.
- (6) Relates to the acquisition of 1 motor vehicle for administrative use.
- (7) Renovation of 2 meeting rooms at Factory 3 to cater for increase in operating activities.
- (8) Relates to leasing of apartments for staff accommodation recognised in accordance with MFRS 16.

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

(ii) Material divestitures

Material divestitures (including interests in other corporations) made by us during the FYEs 2017 to 2019, FPE 2020 and up to the LPD are as follows:

	At NBV				1 June 2020 up to the LPD
	FYE 2017	FYE 2018	FYE 2019	FPE 2020	
Material divestitures	RM'000	RM'000	RM'000	RM'000	RM'000
Motor vehicles	82	-	-	-	-
Investment property	-	-	(1) 3,200	-	-
Freehold land	-	-	-	-	(2) 10
Total	82	-	3,200	-	10

Notes:

- (1) Pertaining to the disposal of a piece of freehold agriculture land held for investment held under GM5018, Lot 2490, Tempat Batu Blah, Mukim Kapar, Daerah Klang, Negeri Selangor. The said land was distributed to the Econframe Marketing Vendors as dividend-in-specie during the FYE 2019.
- (2) Pertaining to the disposal of a piece of freehold industrial land held under HS(M) 2282, PT12153, Mukim Kapar, Daerah Klang, Negeri Selangor. The disposal of the said land, measuring 361 sq ft which was completed on 22 July 2020.

The above capital divestitures were carried out in the ordinary course of business as part of our review of our fixed asset register to identify and eliminate those assets which are no longer in use or obsolete.

Save for the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

6.8.6 Material plans to construct, expand or improve our facilities

Save for proceeds of our Public Issue to be used for the expansion of our manufacturing operation as disclosed in Section 4.9, our Group has no other immediate plans to construct, expand or improve our facilities as at the LPD.

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7. BUSINESS OVERVIEW

7.1 OUR HISTORY

Our Company was incorporated in Malaysia on 27 November 2019 under the Act as a private limited company, and was subsequently converted into a public limited company on 21 February 2020.

Our historical milestones are set out below.

Commenced manufacturing of metal door frames and metal window frames

The history of our Group can be traced back to the establishment of Econframe Marketing on 23 August 2001 by Lim Chin Horng (our Managing Director) with 3 other shareholders (who have since fully disposed their shareholdings in October 2001, September 2005 and April 2010 respectively). Prior to the establishment of Econframe Marketing, our Managing Director, Lim Chin Horng was involved in the manufacturing of steel cargo containers and related metal parts where he acquired knowledge and skills in metalworking. Through his industry network, he observed a demand for metal door frames and metal window frames and subsequently ventured into the manufacturing of metal door frames and metal window frames.

Within the same year, we commenced operations in the manufacturing of metal door frames and metal window frames in a rented factory with a built-up area of approximately 2,400 sq ft in Sungai Rasau, Klang, Selangor ("Rented Factory 1"). We offer metal door frames with customised profiles based on our customers' requirements. We also designed and put together a small selection of 12 metal door frame profiles for our customers to choose from, based on market trend observations and feedback from our customers.

In 2006, we expanded our manufacturing space and rented 2 additional factories in Sungai Rasau, Klang, Selangor with a total built-up area of approximately 4,800 sq ft ("Rented Factory 2 and Rented Factory 3"), which are adjacent to our Rented Factory 1. In 2006, Lim Saw Nee invested in Econframe Marketing and subsequently became the majority shareholder in 2007.

In September 2009, we purchased Factory 4 with a total built-up area of approximately 15,000 sq ft. In addition, we expanded our range of selection of metal door frame profiles to 20 profiles.

In May 2010, we registered our trademark ECONFRAME® and began selling our metal door frames and metal window frames under our ECONFRAME® brand to establish our branding in the market.

Expanded our product offerings to offer total door system solution

In 2010, we commenced the trading of ironmongery and fire resistant door sets to complement our metal door frames business. During the year, Econframe Pre-Hung was incorporated for the trading of wooden doors. The expansion of our product offerings allowed us to offer a total door system solution and strengthen our market presence. All wooden doors, ironmongery and fire resistant door sets were sourced from 3rd party suppliers. Wooden doors were sold under our ECONFRAME® brand while ironmongery and fire resistant door sets were sold under 3rd party brands.

7. BUSINESS OVERVIEW (Cont'd)

In 2012, we purchased Factory 1 and Factory 2, within close proximity to Factory 4 with a total built-up area of approximately 15,000 sq ft. In addition, we expanded our range of selection of metal door frame profiles to 30 profiles.

In 2014, we purchased Factory 3, located opposite Factory 1 and Factory 2, with a built-up area of approximately 9,000 sq ft as our warehouse for raw materials.

Currently, we have expanded our range of selection of metal door frames profiles to 34 profiles. We have also supplied our products to property developments by notable property developers which include amongst others, Aset Kayamas, Eco World, Gamuda, IJM Land, IOI Properties, LBS Bina, Mah Sing, Matrix Concepts, Sime Darby and SP Setia through our customers who are either main contractors or building materials trading arms of property developers. Please refer to Section 7.3 for the list of some of the various property developments by notable property developers where we supplied our products.

Further enhanced our in-house capabilities with the manufacturing of fire resistant door sets and metal doors, and offering all products under our in-house brands

In 2015, we commenced product development on fire resistant door sets with the intention to venture into the manufacturing of fire resistant door sets comprising fire resistant door, metal door frame and ironmongery under our in-house brand. We evaluated and tested fire resistance capabilities of various raw materials and design specifications (i.e. dimensions of fire resistant door, fire resistant door with/without vision panel, metal door frame and accessories such as ironmongery) to ensure our fire resistant door sets comply with the relevant fire-rated requirements. We manufactured prototype fire resistant door sets in preparation for submission to SIRIM and BOMBA for fire-rated certifications.

In 2016, we obtained the trademark DUROE® in Malaysia in preparation to commercialise our products for fire resistant door sets including ironmongery. With this new brand, we gradually ceased selling ironmongery under 3rd party brands and began selling OEM ironmongery under our DUROE® brand. In the same year, we obtained our ISO 9001:2015 Quality Management Systems certification from SIRIM for the manufacturing of fire resistant door sets.

In 2017, we successfully introduced our first fire resistant door set with 1 hour fire rating duration after we obtained product certification from SIRIM and approval from BOMBA. Since then, we continued our product development of fire resistant door sets with different materials, configurations (i.e. single or double leaf) and fire ratings. Our fire resistant door sets are sold under our DUROE® brand and we gradually ceased trading of 3rd party fire resistant door sets. As at the LPD, we have obtained product certifications from SIRIM and approvals from BOMBA to manufacture 7 types of fire resistant door sets with 1 or 2 hour fire ratings. Please refer Section 7.2.2 for more details on our fire-rated certifications.

In 2017, we started manufacturing customised metal doors on request which are sold under our ECONFRAME® brand.

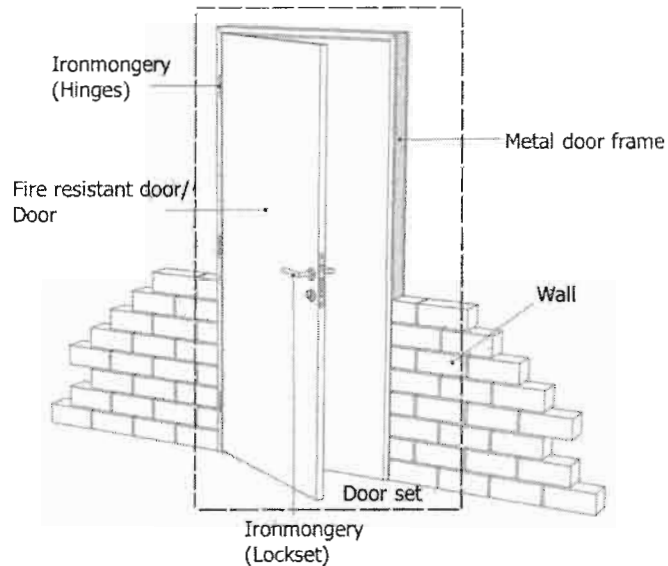
In 2018, we registered the trademark DUROE® in China under the name of Lim Chin Horng (our Managing Director) in anticipation of our planned entry into the market in China in the future (currently in the conceptual planning stage) as well as to protect our brand from infringement by third party(s) in China. This trademark was assigned successfully to Econframe Marketing effective 20 April 2020 and we intend to continuously monitor the market condition and commence the detailed planning for our expansion into the China market in the 2nd half of 2021.

7. BUSINESS OVERVIEW (Cont'd)

7.2 DESCRIPTION OF OUR BUSINESS

Our Group is principally involved in the provision of total door system solution for property developments. Our total door system solution comprises metal door frames, fire resistant door sets, doors and ironmongery. In general, a door set comprises the metal door frame, fire resistant door or door and ironmongery.

An illustration of our door set is shown below:



Our core business activities are set out below:

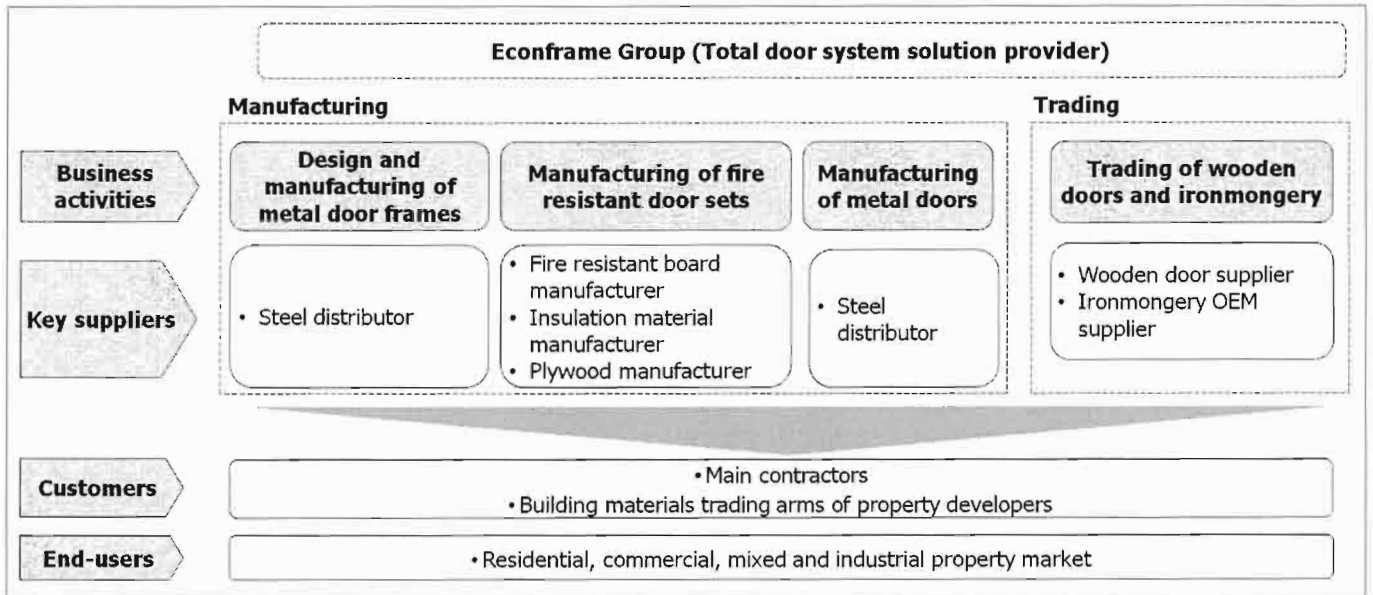
- (i) Design and manufacturing of metal door frames;
- (ii) Manufacturing of fire resistant door sets;
- (iii) Manufacturing of metal doors; and
- (iv) Trading of wooden doors and ironmongery

We sell our products on project basis (i.e. to main contractors and building materials trading arms of property developers in Malaysia for the purposes of construction in property developments). Please refer to Section 7.14 for further details of our sales and marketing strategies.

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7. BUSINESS OVERVIEW (Cont'd)

The following diagram illustrates our Group's business model:

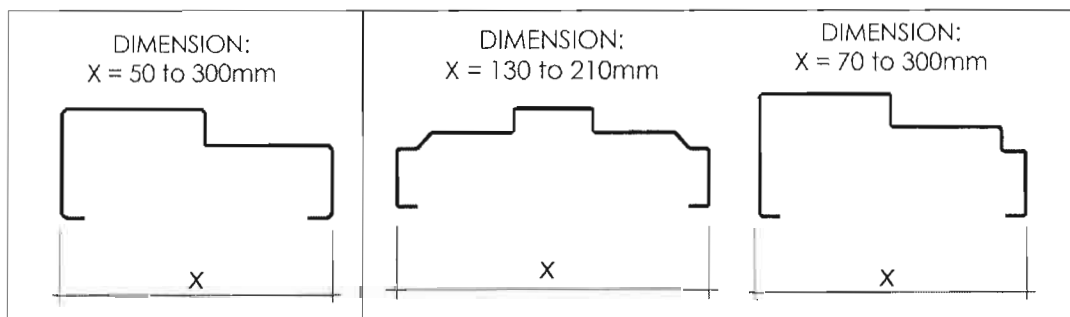


7.2.1 Design and manufacturing of metal door frames

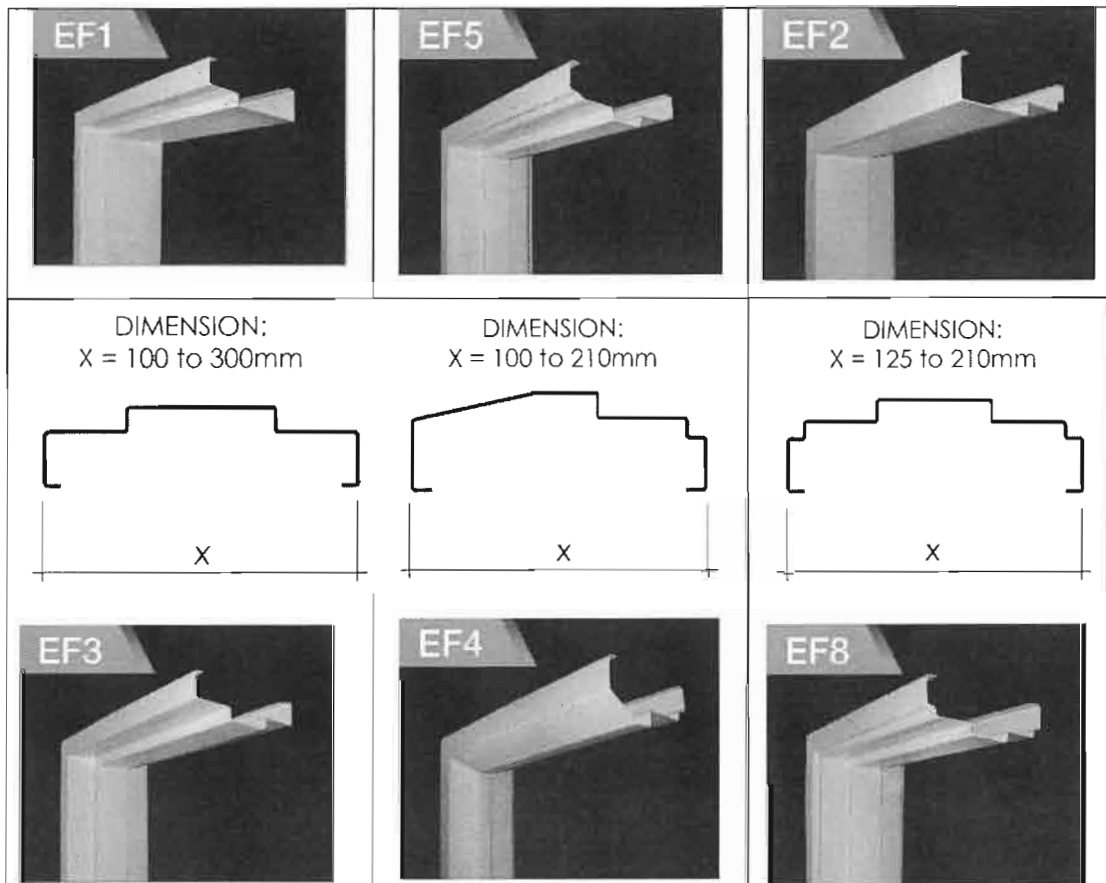
We design and manufacture metal door frames made from a variety of galvanised steel sheets. We use steel sheets of different thickness of between 0.8mm and 1.5mm that is specially coated to protect the metal door frames from rust and corrosion, such as Zinalume[®], SuperDyma[®], galvanneal, electro-galvanised and galvanised iron.

We offer a wide range of metal door frame profiles in a variety of shapes and dimensions to suit various wall configurations and door specifications. Customers can choose from our broad range of metal door frame profile selection of 34 profiles or have customised profile designs. Our profile selections are designed and developed based on our understanding of market demands to ease our customers' selection process. Further, our customised profiles enable customers to have metal door frame profiles that are designed according to their functional and aesthetic requirements to suit the overall design of their development prerequisites.

The profile of our metal door frames refers to cross sectional shape of the metal door frames. The dimension of our metal door frame refers to the width of the profile, as indicated by "X" in the diagrams below. We manufacture dimensions in intervals of 1mm, starting from 50mm up to 300mm. Examples of our profile selections are as follows:



7. BUSINESS OVERVIEW (Cont'd)



For construction of new residential, commercial, mixed and industrial properties, metal door frames are normally installed into the walls during the construction process. When installed, the metal door frame may protrude out or be flushed against the wall construction. As the metal door frames become an integral part of the wall, it adds to the wall strength. As such, the types of wall (i.e. drywall, shear wall, brick wall), wall thickness, types of wall installation (e.g. flush frame to wall or protruding frame to wall), material types, material thickness, door thickness, door dimensions, aesthetic requirements and costing are important considerations when designing our metal door frames.

During the design stage of our metal door frames, we, in consultation with the architects, contractors and property developers will establish the metal door frame profiles and dimensions. The architect will specify its preferred metal door frame profile, door and wall installation (i.e. design, material types, dimensions) and after which we obtain input from the contractors on the types of construction method to be used (i.e. wall types and thickness). In addition, we also obtain the costing requirements from the property developers. With the input from the architects, contractors and property developers, we will design our metal door frames by modifying the dimensions of profiles from our profile selection or by customising profiles to meet our customers' specification requirements. The variety and complexity of the profiles can vary with each property development requirements. The drawings of the metal door frames which typically show the profiles, types of material, elevations of each metal door frame type; and details, dimensions and ironmongery locations, are submitted to the property developers for clearance and approval prior to manufacturing.

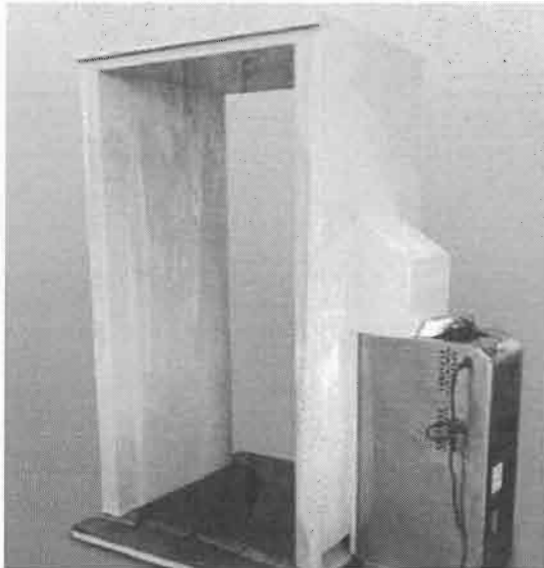
7. BUSINESS OVERVIEW (Cont'd)

Our metal door frames are sold under our ECONFRAME® brand as standalone products or as a total door system solution, complete with wooden, metal or fire resistant doors, and ironmongery. We manufacture our metal door frames in Factory 1, Factory 2 and Factory 3. We also manufacture metal window frames. However, there was no revenue contribution from this product for the past 3 FYEs 2017 to 2019 and FPE 2020. The materials used and the manufacturing process for metal window frames are similar to metal door frames.

As an extension of our capabilities in manufacturing metal door frames, arising from the Covid-19 pandemic and enquiries received from our customers, in May 2020, we commenced manufacturing of disinfection frames as a complementary offering. Our disinfection frames are manufactured and sold only upon request, which are mainly used in construction sites.

Our disinfection frame comprises a metal door frame which is assembled with parts and components which disperses liquid disinfectant solution automatically as individuals pass through the disinfection frame.

An illustration of our disinfection frame is shown below:



Our disinfection frames are manufactured as a standard product without any customisation.

The manufacturing process of the disinfection frame is similar to the manufacturing process of our metal door frames. Upon completion of the manufacturing of the disinfection frame, the disinfection frame is sprayed with an epoxy paint finishing. Wiring and piping works are then carried out in-house to affix the disinfection frame with 3 spray nozzles (for dispersion of liquid disinfectant solution), a motion sensor (for detection of motion via infrared) and a disinfectant pump tank (for storage of liquid disinfectant solution). Thereafter, a composite board equipped with rollers is installed as the base platform to facilitate mobility of the disinfection frame.

We source the spray nozzles and disinfectant pump tanks from suppliers in China whereas the motion sensors are sourced locally. We do not provide or sell the liquid disinfectant solution.

7. BUSINESS OVERVIEW (*Cont'd*)

7.2.2 Manufacturing of fire resistant door sets

We manufacture 7 types of fire resistant door sets.

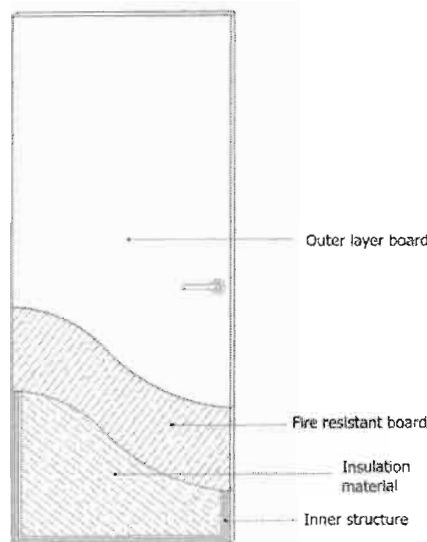
Both our fire resistant door (the swinging panel of the door) and metal door frame are required to meet the guidelines of SIRIM. The metal door frame, fire resistant door together with the fire seal (i.e. intumescent strip) and ironmongery form an assembly, typically called a "fire resistant door set" which holds a numerical fire rating, quantified in hours of resistance to a fire test. Our fire resistant door sets are fire tested and certified by SIRIM for safety; and approved by BOMBA, the regulatory authority. Our fire resistant door sets are rated 1 hour and 2 hours which are the approximate time the fire resistant door sets can withstand exposure to fire in accordance with the relevant fire test conditions.

Our fire resistant door sets are sold under our DUROE® brand.

Our fire resistant door sets are also listed under SIRIM's product certification and carry the 'MS' (Malaysian Standard) mark.

The main components of the fire door assembly (i.e. our fire resistant doors and metal door frames) are also attached with fire tags which bear amongst others, the certification by SIRIM and type of fire rating to ensure the components have been tested to meet the fire rating requirements.

An illustration of the composition of a fire resistant door set is shown below:



Our fire resistant doors are manufactured from fire resistant boards, insulation materials and outer layer boards. Fire resistant boards are used to form the structure and in-filled with insulation materials to form the core construction and act as insulation to slow down the transmission of heat from the fire side to the non-fire side of the door. The outer layer boards of our fire resistant doors can either be plywood, melamine board or plywood laminated with veneer to meet our customers' aesthetic requirements. Our fire resistant door and ironmongery together with the metal door frame have undergone rounds of endurance testing during the product development stage to ensure fire resistant qualities and fire duration can be met. Such testing includes fire resistant doors undergoing a furnace test to replicate the effects of fire.

7. BUSINESS OVERVIEW (Cont'd)

We also offer single leaf and double leaf fire resistant doors with the options of vision panel or door viewer incorporated into the door panel. Single leaf fire resistant doors refer to fire resistant doors with single door whereas double door leaf refers to fire resistant doors with 2 doors.

Details of the types of fire resistant door sets that we are certified to manufacture are as follows:

Date of first certification by SIRIM and BOMBA	Dimension and fire rating
26 January 2017	<ul style="list-style-type: none"> Type: Single leaf Door: 2,346mm (Height ("H")) x 1,115mm (Width ("W")) x 44.3mm (Thickness ("T")) Metal door frame: 2,394mm (H) x 1,201mm (W) x 140mm (T) Fire rating: 1 hour
26 January 2017	<ul style="list-style-type: none"> Type: Double leaf Door: 2,320mm (H) x 2,215mm (W) x 49.8mm (T) Metal door frame: 2,368mm (H) x 2,320mm (W) x 140mm (T) Fire rating: 1 hour
21 April 2017	<ul style="list-style-type: none"> Type: Single leaf Door: 2,345mm (H) x 1,115mm (W) x 48.9mm (T) Metal door frame: 2,393mm (H) x 1,201mm (W) x 140mm (T) Fire rating: 2 hours
28 April 2017	<ul style="list-style-type: none"> Type: Double leaf Door: 2,340mm (H) x 2,335mm (W) x 50.6mm (T) Metal door frame: 2,389mm (H) x 2,422mm (W) x 140mm (T) Fire rating: 2 hours
11 January 2019	<ul style="list-style-type: none"> Type: Double leaf With vision panel: 310mm (H) x 160mm (W) Door: 2,345mm (H) x 2,302mm (W) x 45.0mm (T) Metal door frame: 2,393mm (H) x 2,389mm (W) x 140mm (T) Fire rating: 1 hour
1 March 2019	<ul style="list-style-type: none"> Type: Single leaf With vision panel: 315mm (H) x 112mm (W) Door: 2,345mm (H) x 1,090mm (W) x 47.3mm (T) Metal door frame: 2,394mm (H) x 1,177mm (W) x 140mm (T) Fire rating: 1 hour
8 March 2019	<ul style="list-style-type: none"> Type: Single leaf Door: 2,386mm (H) x 1,115mm (W) x 44.2mm (T) Metal door frame: 2,434mm (H) x 1,202mm (W) x 120mm (T) Fire rating: 1 hour

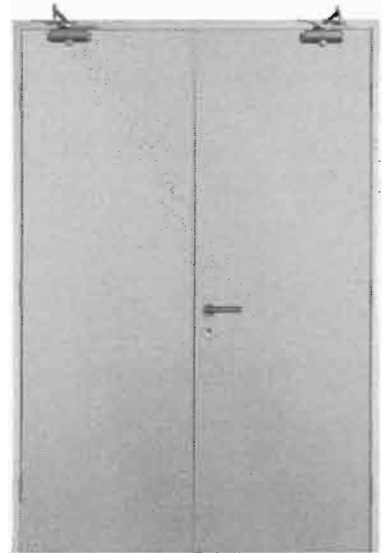
7. BUSINESS OVERVIEW (Cont'd)

The dimension of the fire resistant door set manufactured shall not exceed the dimension as specified in the respective certification of SIRIM and BOMBA.

Examples of our fire resistant door sets are as follows:



Single leaf fire resistant door set



Double leaf fire resistant door set



Single leaf fire resistant door set with vision panel

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7. BUSINESS OVERVIEW (Cont'd)

Our fire resistant doors and metal door frames are also attached with fire tags which bear amongst others, the certification by SIRIM and type of fire rating, as illustrated below:



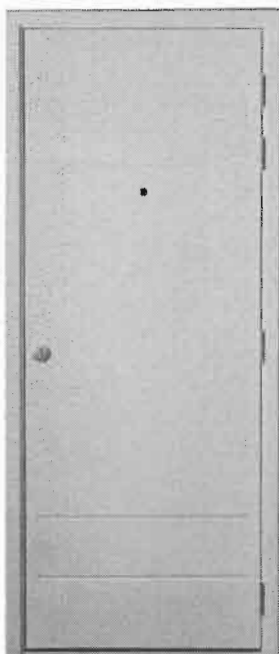
We manufacture our fire resistant doors in Factory 4.

7.2.3 Manufacturing of metal doors

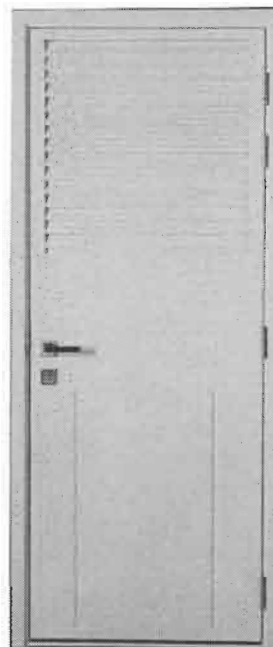
We offer metal doors which can be designed and customised in terms of width, height or thickness. We manufacture our metal doors using a variety of galvanised steel sheets such as Zinalume®, electro-galvanised and galvanised iron of 1.2mm thickness as the outer layer of our metal doors and in-filled with honeycomb core. Please refer to Section 7.2.4 (i) (c) for further details of the honeycomb core. We manufacture our metal doors in-house which are sold under our ECONFRAME® brand. However, revenue contribution from this product for the past 3 FYEs 2017 to 2019 and FPE 2020 is minimal.

Our metal doors are sold under our ECONFRAME® brand as standalone products or as a total door system solution, complete with metal door frames and ironmongery.

Examples of our metal door sets are as follows:



Metal door set with door viewer



Metal door set with louvre

7. BUSINESS OVERVIEW (*Cont'd*)

7.2.4 Trading of wooden doors and ironmongery

(i) Wooden doors

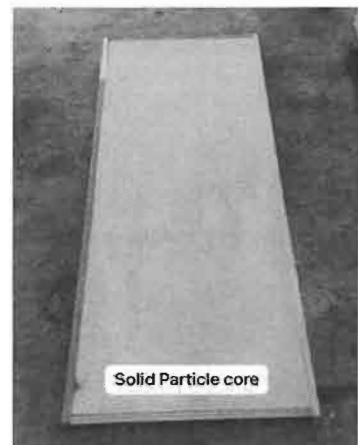
We offer wooden doors in a variety of designs and, selection of cores and door skin materials to suit various functional and aesthetic requirements. We also offer customisation of our wooden doors in terms of width, height or thickness. All our wooden doors are sold under our ECONFRAME® brand and the manufacturing of wooden doors is outsourced to suppliers.

The selection of door type and material depends on the degree of protection desired, architectural compatibility and cost. Our wooden doors are made of a hard wood frame structure and in-filled with door cores. Door cores are central to the door's performance and each type of core is constructed differently and has its own functionality and applications. There are 3 types of core construction used in our wooden doors:

- (a) **Solid timber core** uses strips of natural timber that are assembled and glued together in adjacent vertical rows as an insert into the wood door frame structure. Solid timber is 100% natural wood and is primarily offered in high-end residential or commercial properties because of their superior appearance. Exterior doors made from solid timber are used for their strength and security due to their dense composition. Solid timber doors are also more exclusive and expensive than solid particle core doors.

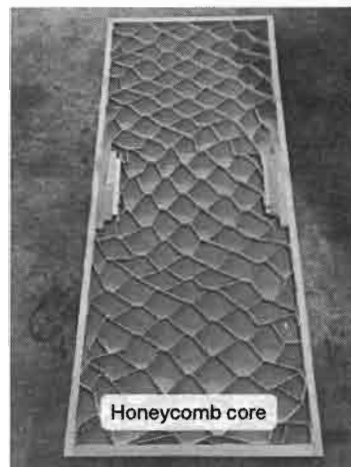


- (b) In addition to solid timber cores, another type of solid core door is the **solid particle core**. Solid particle cores consist of wood chips that are glued together, heated and pressured into solid panels to form the door core. These panels are then framed within the wood door frame structure. Low cost and availability are the major benefits of using solid particle cores as compared to solid timber cores. Due to its dense composition, solid core doors (in this instance, refers to our solid particle core doors) are used as exterior doors for its strength and security and can also be used as interior doors.

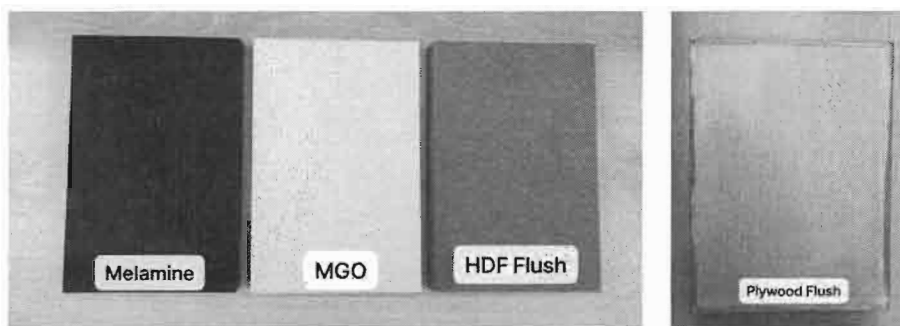


7. BUSINESS OVERVIEW (Cont'd)

- (c) A **honeycomb core** uses a pattern of cardboard bonded together in parallel and uniformly spaced and forms a honeycomb configuration with hexagonal cells. The honeycomb sheet is made of various thicknesses and cell sizes to cater for a variety of applications. The honeycomb core is glued in place between the door skins to form hundreds of small beams with the door skin and provides uniform thickness. As a result, the wood door frame structure and honeycomb core provide rigidity to the wooden door. As there are no solid materials within the honeycomb core, these wooden doors (i.e. semi-core doors) are lightweight and are an affordable alternative to solid doors. Semi-core doors are cost-saving products and are often used as interior doors.



Our wooden doors are laminated with door skin made of a selection of materials such as melamine, high density fibreboard, magnesium oxide board and plywood.



Our wooden doors are sold as standalone products or as complete door sets with metal door frames and ironmongery.

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7. BUSINESS OVERVIEW (Cont'd)

(ii) Ironmongery

We offer a broad range of ironmongery which are door system components made from steel, stainless steel, brass or aluminium comprising locksets and door accessories.

Examples of our DUROE® ironmongery products are as follows:

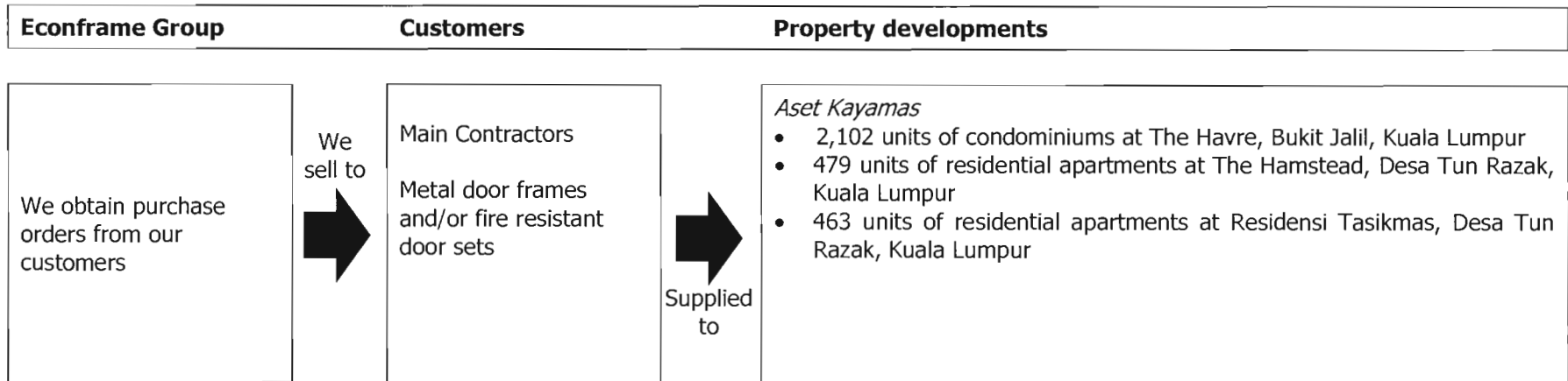
Products	Examples	
Locksets	Cylindrical locks 	Mortise locks 
	Deadbolt locks 	Door handles 
	Euro profile cylinders 	Hinges 
Accessories	Door chains 	Door viewers 
	Magnetic door holders 	Door closers 
	Panic devices 	Sliding door fittings 

7. BUSINESS OVERVIEW (Cont'd)

7.3 LIST OF SOME OF THE PROPERTY DEVELOPMENTS WHERE WE SUPPLIED OUR PRODUCTS

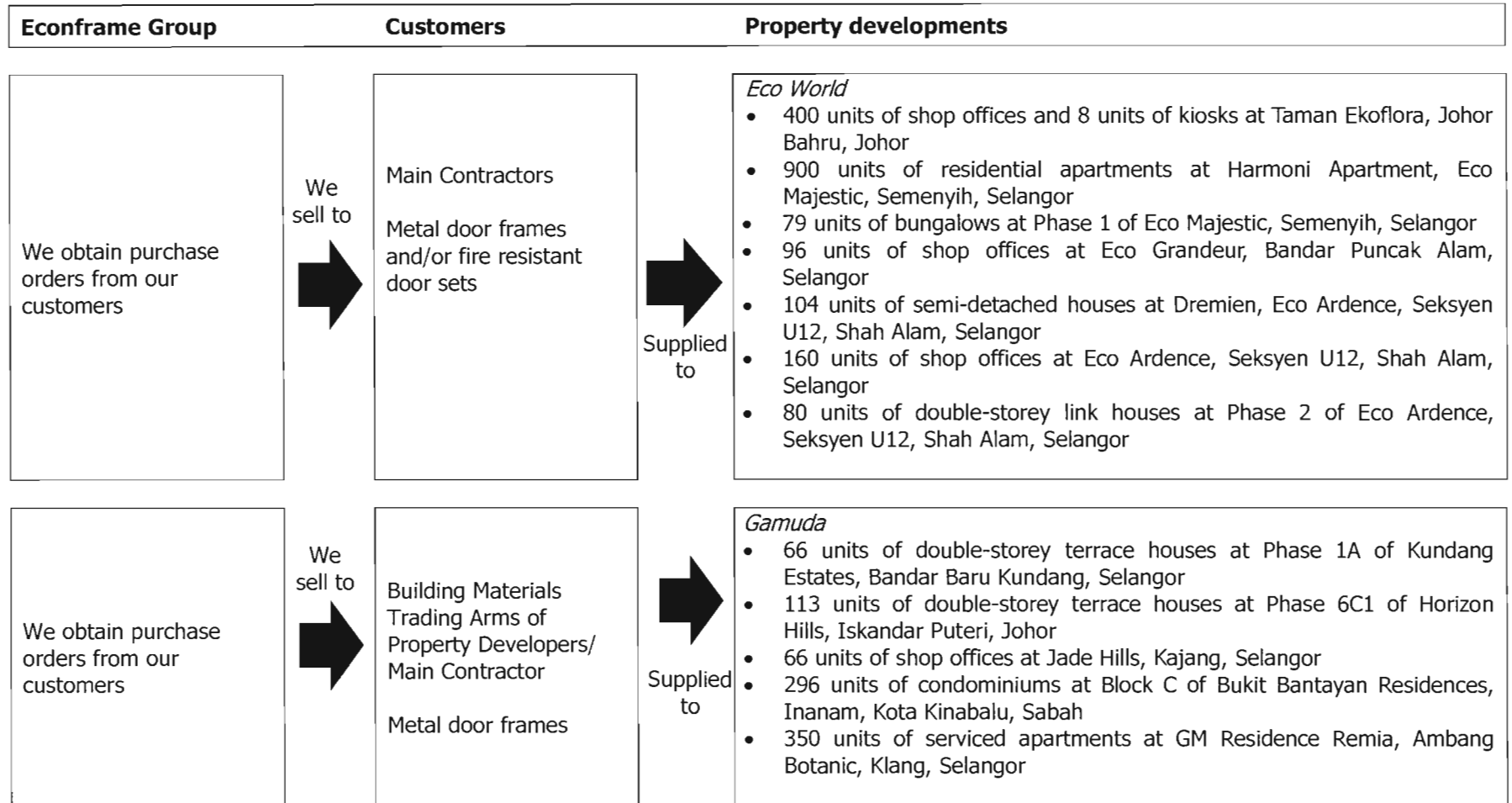
We supply our metal door frames, fire resistant door sets, wooden or metal doors and ironmongery to property developments. Our customers can either be the building materials trading arms of property developers or the construction company responsible for the construction works. Our in-house brands ECONFRAME® and DUROE® are specified in the BQ by certain property developers, architects or contractors on a project-to-project basis as their preferred brand of metal door frames, fire resistant door sets, wooden or metal doors, and/or ironmongery.

The following table showcases some of the various property developments by notable property developers where we supplied our products:

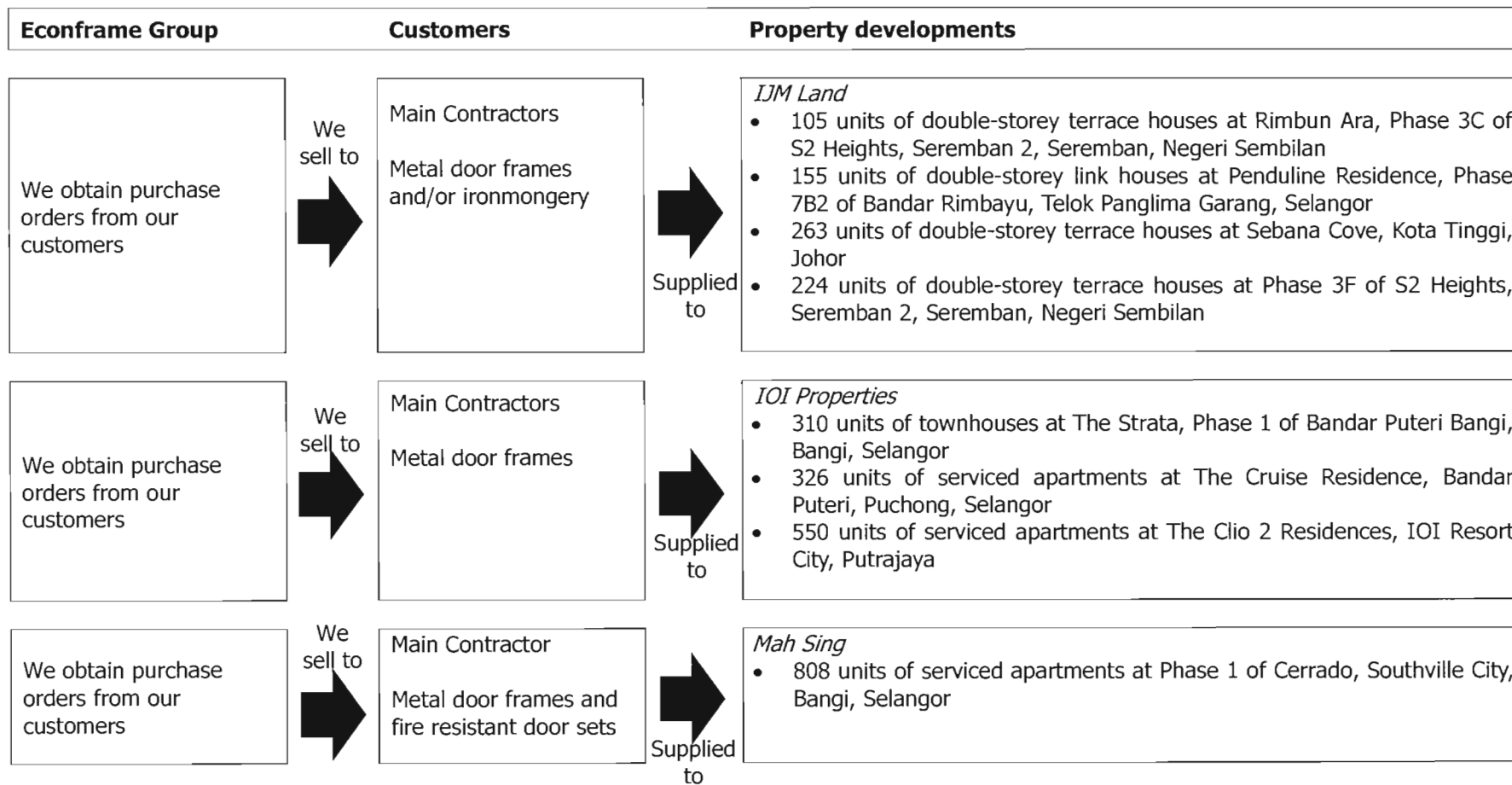


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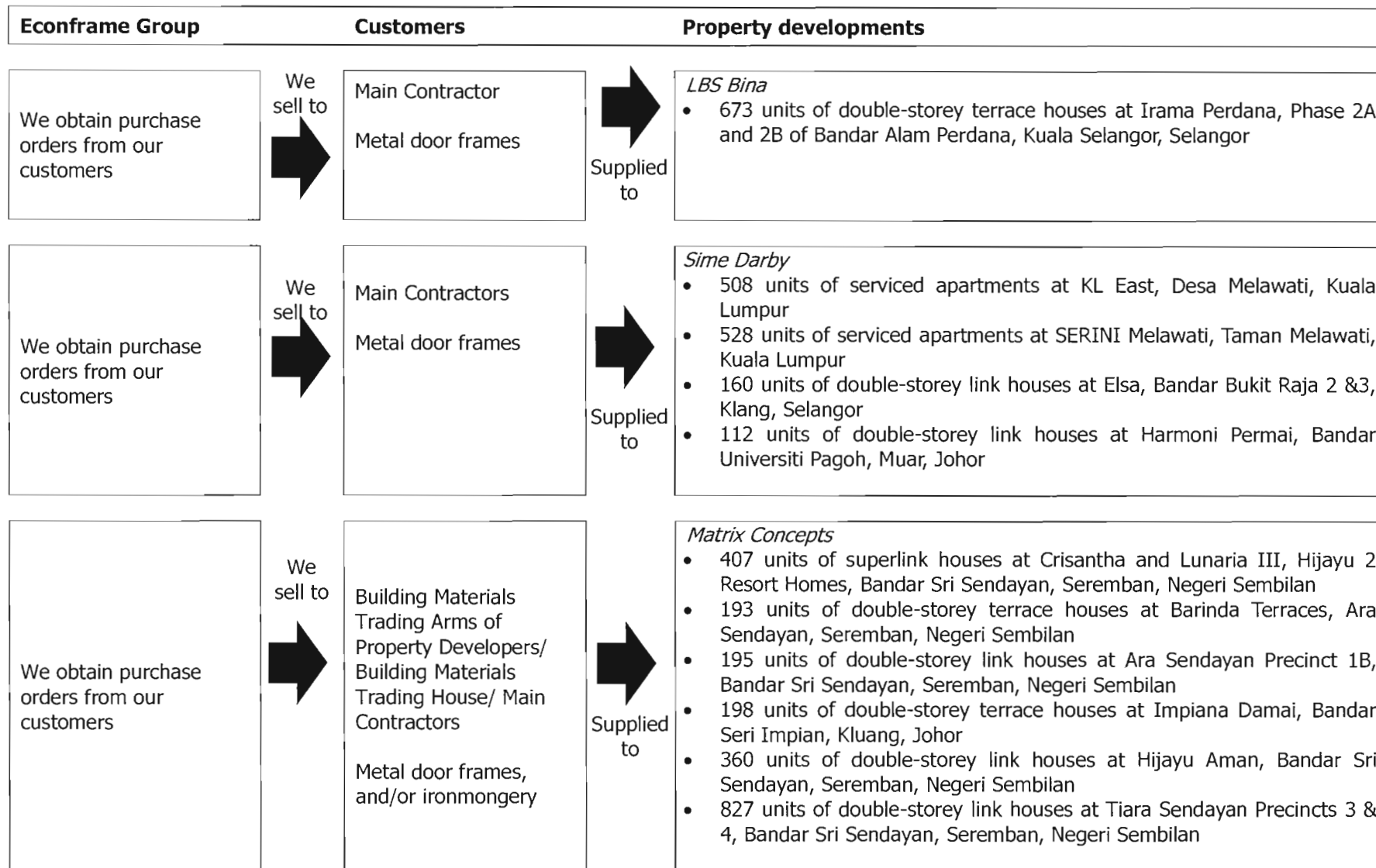
7. BUSINESS OVERVIEW (Cont'd)



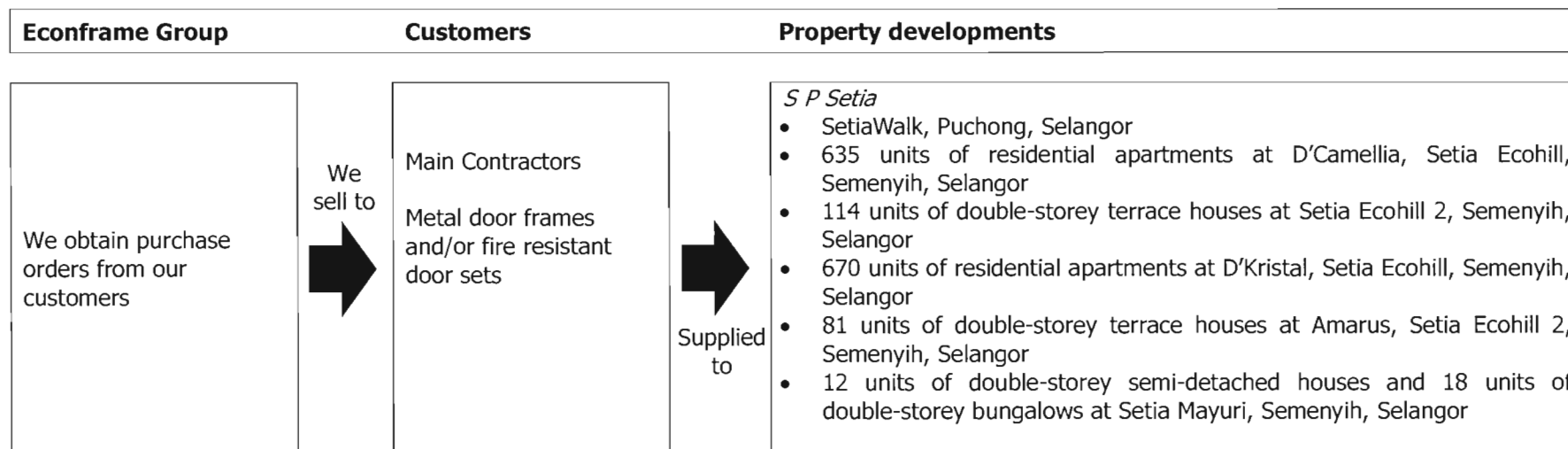
7. BUSINESS OVERVIEW (Cont'd)



7. BUSINESS OVERVIEW (Cont'd)



7. BUSINESS OVERVIEW (Cont'd)



Note:

- The number of residential or commercial property units of the development indicates its size. This showcases our Group's ability to supply our metal door frames, fire resistant door sets and/or ironmongery to cater for various sizes of property developments. We are the only supplier for the products indicated in the property developments disclosed in the table.

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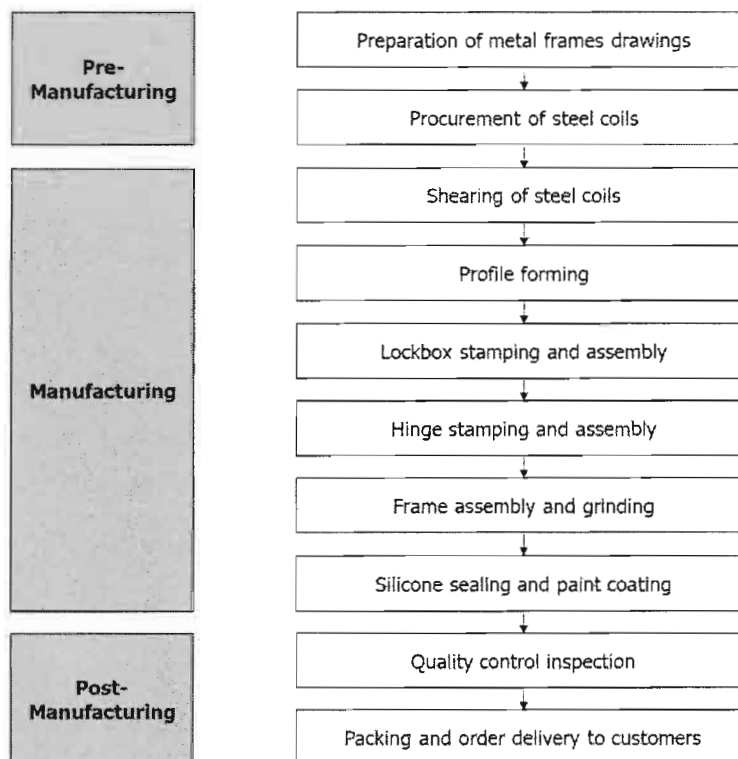
7. BUSINESS OVERVIEW (Cont'd)

7.4 PRINCIPAL MARKETS

For the past 3 FYEs 2017 to 2019 and FPE 2020, we primarily sell to customers in Malaysia.

7.5 MANUFACTURING PROCESSES

7.5.1 Design and manufacturing of metal door frames



(i) Pre-Manufacturing

(a) Preparation of metal door frames drawings

For profiles chosen from our metal door frames profile selections

For customers who choose among our metal door frame profile selections, the dimension of the chosen profiles can be modified to suit the wall and door dimensions. Thereafter, the drawings will then be submitted to the developers for clearance and approval.

For full customisation of metal door frames profiles

For customers who require full customisation of our metal door frames profile, we will first establish the dimensions and the type of profile during consultation with the architects, contractors and developers of their development project. This includes establishing the specified material, preferred profile and dimensions for the door frame; and the door and wall installation (i.e. design, material types, dimensions) as well as the budget. Concurrently, we will also obtain input from the contractors on the type of construction method to be used (i.e. wall types and thickness).

7. BUSINESS OVERVIEW (Cont'd)

With the input from the architects, contractors and developers, we will prepare the drawings of the metal door frames with customised profile designs. The finalised metal door frames drawings will then be submitted to the developers for clearance and approval prior to manufacturing.

(b) Procurement of steel coils

Upon confirmation of orders, we will procure steel coils in accordance to the quantity and specifications of steel coils required.

Upon receipt of supply of steel coils from our suppliers, we will inspect the specifications of the steel coils to ensure that the steel coils received are in accordance with our requirements and purchase orders placed.

(ii) Manufacturing

The manufacturing of metal door frames comprises several processes as follows:

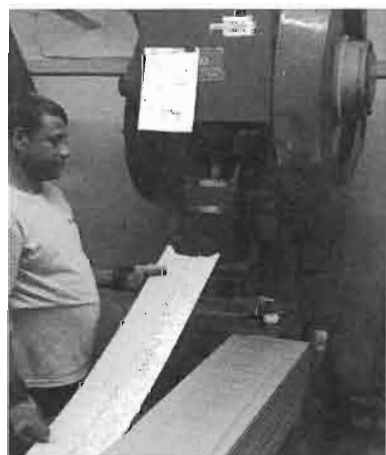
(a) Shearing of steel coils

Steel coils are fed into shearing machines to be cut into metal sheets to the required length.



(b) Profile stamping

The sheared steel coils will then be taken to the punch press. At the punch press, we create the corner mitre (i.e. diagonal joint where the two sides of the door frames meet) according to the required shape to form the joints of the metal door frames.

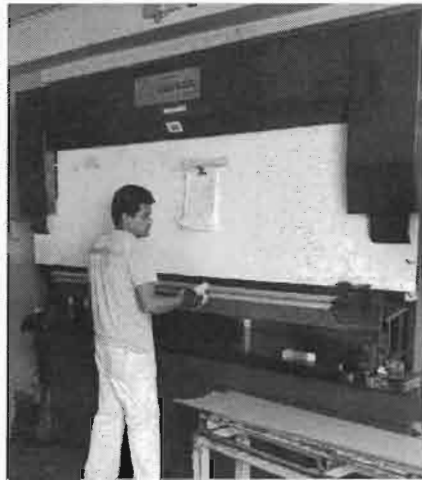


7. BUSINESS OVERVIEW (Cont'd)

(c) Profile forming

Now the stamped metal sheets are moved to the CNC bending machines. The machine is used to form the head and jambs of the metal door frame into its final shape. Every bend is accomplished using our CNC bending machine with a 100 tonne press brake to create consistent and precise bends.

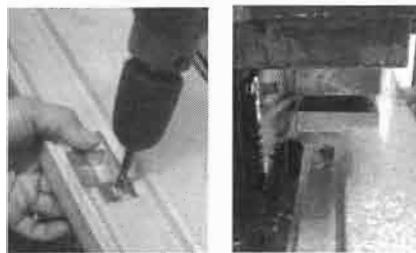
Please refer to Section 7.12 for more details on the CNC press braking method we adopt.



(d) Lockbox stamping, hinge stamping and installation

The next step is lockbox and hinge stamping. This process cuts out the hinge and lockbox locations on the metal door frames. Thereafter, the lockbox and hinges will be installed on the metal door frames.

Lockbox stamping and assembly



Hinge stamping and assembly

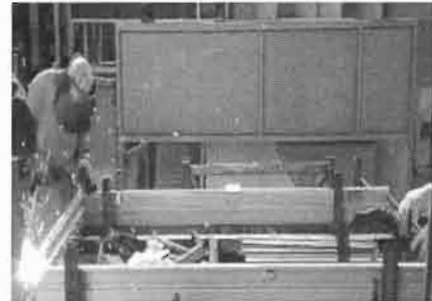
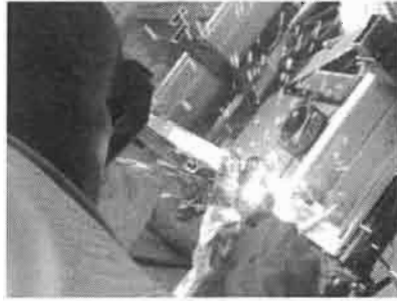


(e) Frame assembly and grinding

The individual sides of each of the metal door frame will then be welded together to form a complete metal door frame. After the welding process, the metal door frame is ready for finishing. At this stage, this is where the weld marks are grounded and sanded to smoothen the welded edges.

7. BUSINESS OVERVIEW (Cont'd)

Frame assembly



Grinding



(f) Silicone sealing and paint coating

A silicone sealant will be applied to seal the joining of the welded edges which is then followed by a final step of paint coating as an added protection against rust. Then each metal door frame is given the visual inspection and final finishing touches are applied.



(iii) Post-Manufacturing

(a) Quality control inspection

Quality control is conducted to inspect the dimension and finishing of the metal door frames. This is to ensure that the metal door frames are manufactured in accordance with our customers' requirements. The metal door frames which require rework or touch up will be transferred back to the respective manufacturing stages.

7. BUSINESS OVERVIEW (Cont'd)

(b) Delivery to customers

For standalone sale of metal door frames

The completed metal door frames will be delivered to our customers' construction sites. Delivery of metal door frames is carried out by our in-house logistics team and 3rd party logistics providers.

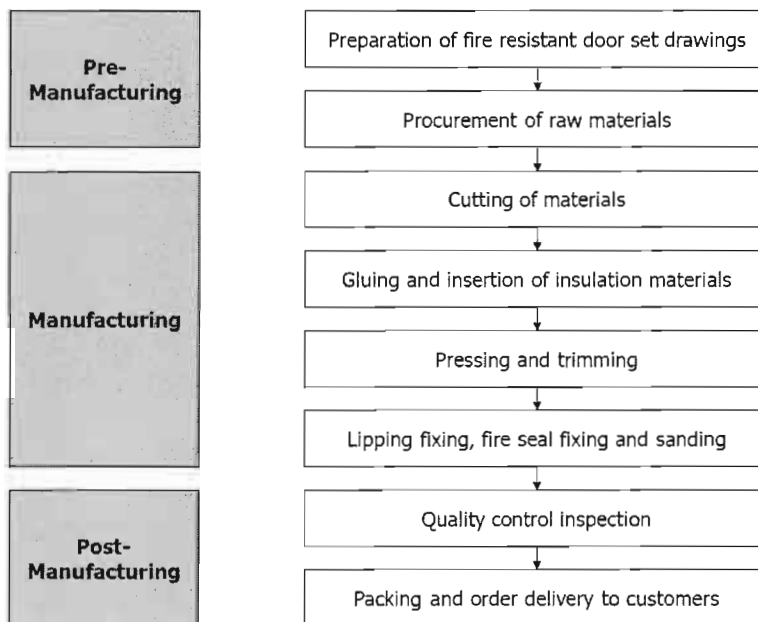
For sale of metal door frames as complete door sets

For sale of metal door frames together with wooden or metal doors and/or ironmongery as door sets, each component will be delivered separately to our customers' construction sites based on the stages of their construction works. Metal door frames are delivered at earlier stages of the construction works to be installed as an integral part of the wall. The doors and ironmongery are delivered at the later stage of the construction works as these parts are usually installed after structural works are completed. Delivery of metal door frames is carried out by our in-house logistics team and 3rd party logistics providers.

Metal window frames

The design and manufacturing processes for metal window frames are similar to the design and manufacturing processes for metal door frames.

7.5.2 Manufacturing of fire resistant doors



(i) Pre- Manufacturing

(a) Preparation of fire resistant door set drawings

Our customers will choose their preferred fire resistant door sets from our selection of fire resistant door sets. Our fire resistant doors can be customised in terms of the types of door skin and size, up to the maximum approved dimensions of our SIRIM and BOMBA certifications. We will prepare

7. BUSINESS OVERVIEW (Cont'd)

the drawings of fire resistant door sets based on our customers' specification for their approval before manufacturing.

(b) Procurement of raw materials

We will periodically check the availability of the required raw materials (i.e. fire resistant boards, insulation materials, outer layer boards and ironmongery) in our warehouse. If these raw materials stock in our warehouse is sufficient, the required quantity and specifications of raw materials will be sent to the manufacturing line in accordance with the manufacturing schedule. If the amount of raw materials required is insufficient, we will procure raw materials in accordance to the quantity and specifications of raw materials required.

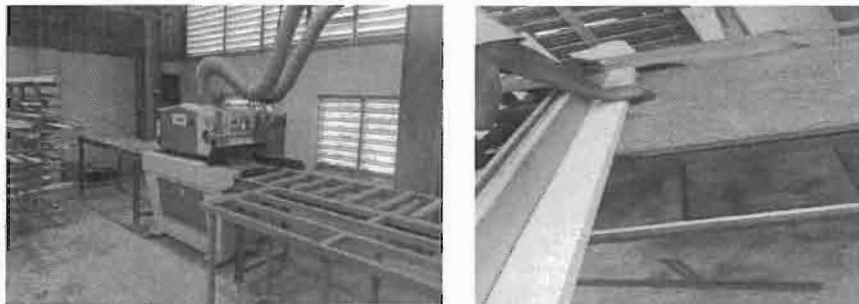
Upon the receipt of supply of raw materials from our suppliers, we will conduct stock count and visual inspection to check the thickness and density of fire resistant boards and insulation materials, as well as for any surface defects. This is to ensure that the raw materials delivered are in accordance with our requirements and purchase orders placed. If any defect is found during inspection, the defective raw materials will be replaced at our suppliers' cost.

(ii) Manufacturing

The manufacturing of fire resistant doors comprises several processes as follows:

(a) Cutting of materials

Fire resistant boards are cut into the length and size required using a cutting machine. Fire resistant boards are used to form the frame structure of our fire resistant doors.



7. BUSINESS OVERVIEW (Cont'd)

(b) Gluing and insertion of insulation materials

The cut fire resistant boards will firstly be tacked together to form the structure of the fire resistant doors.



Another piece of fire resistant board will be glued on the structure to form the surface of the fire resistant doors. We will then glue an outer layer board which can be either a plywood, melamine board or plywood laminated with veneer on top of the fire resistant board in accordance to our customers' aesthetic requirements.



Insulation material will then be inserted into the core which is the hollow areas within the structure of the fire resistant doors. The insulation material acts as an insulator to slow down the heat transfer process in the fire resistant doors from areas exposed to direct fire to areas not exposed to direct fire in the event of a fire.

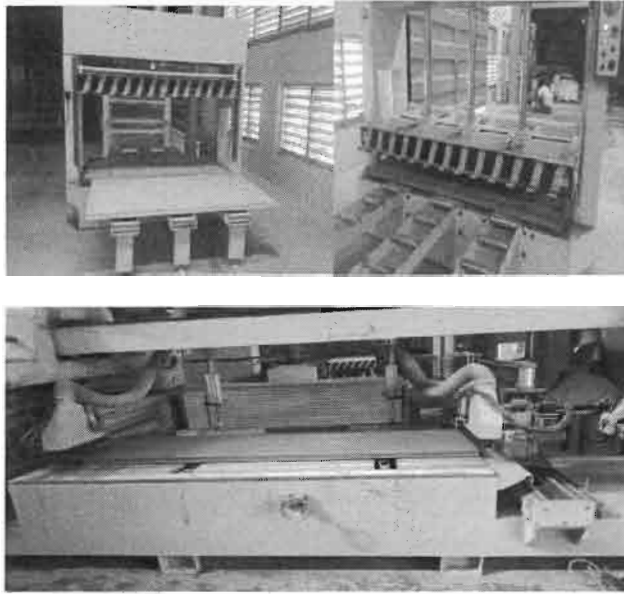


Once the insulation material is inserted, another piece of fire resistant board is glued onto the other side of the door structure to form the other surface of the fire resistant doors. Then, the outer layer board will be glued on top of the fire resistant board.

7. BUSINESS OVERVIEW (Cont'd)

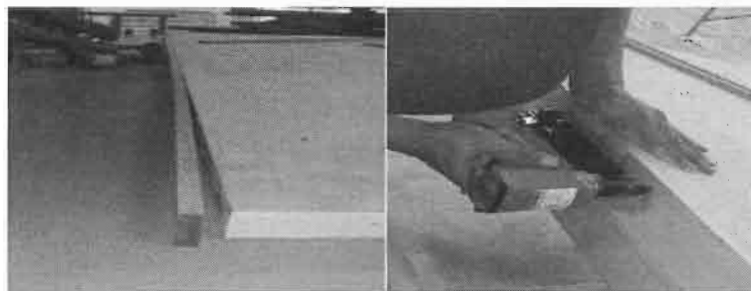
(c) Pressing and trimming

Subsequently, the semi-finished fire resistant doors will be pressed using a hydraulic pressing machine to further strengthen the bonding of the fire resistant boards and outer layer boards on the door structure. The excess edges of the fire resistant door will then be trimmed to the required size.



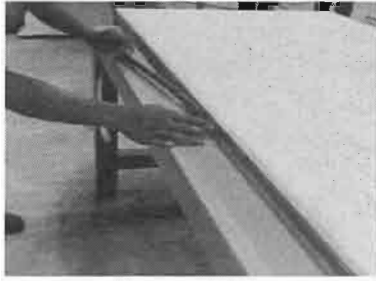
(d) Lipping fixing, fire seal fixing and sanding

Thereafter, we perform the lipping fixing process where strips of wood will be fixed along the four corner edges of the fire resistant doors to seal off the gaps to delay the spread of smoke and fire in the event of a fire.

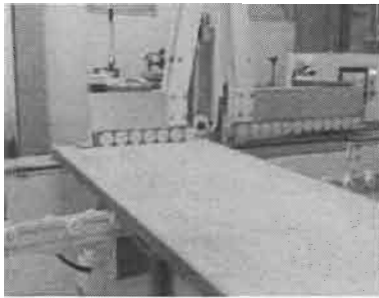


A fire seal (i.e. intumescent strip) is then fitted around the sides of the fire resistant doors which meets the door frame. The fire seal, one of the key components in a fire resistant door, traps smoke in the area, preventing it from spreading. The fire seal works by expanding around the edges of a fire resistant door and sealing the gap between the door and the metal door frame in the event of a fire.

7. BUSINESS OVERVIEW (Cont'd)



The surfaces of fire resistant doors will then be sanded to smoothen the surfaces and edges of the fire resistant doors.



(iii) Post-Manufacturing

(a) Quality control inspection

Quality control is conducted to inspect the dimension and finishing of the fire resistant doors. This is to ensure that the fire resistant doors are manufactured in accordance with our customers' requirements and specifications stated in our SIRIM and BOMBA certifications. The fire resistant doors which require rework or touch up will be transferred back to the respective manufacturing stages.

(b) Delivery to customers

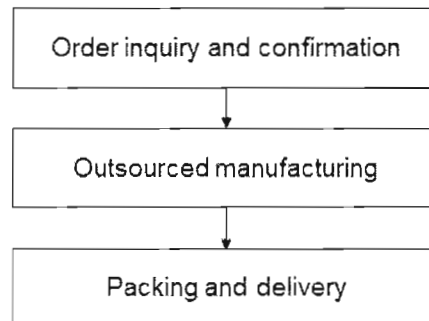
The manufactured fire resistant doors will be delivered to our customers' construction sites.

The metal door frames and the fire resistant doors together with the ironmongery will be delivered separately to the construction sites based on the stages of their construction works. Metal door frames are delivered at earlier stages of the construction works to be installed as an integral part of the wall. Upon delivery of the metal door frames, we typically bill approximately 35% of the entire fire resistant door sets' value. The fire resistant doors together with its ironmongery are delivered at the later stage of the construction works as these parts are usually installed after structural works are completed. We then bill the remaining approximately 65% of the entire fire resistant door sets' value upon delivery of the fire resistant doors and ironmongeries. Delivery of fire resistant door sets is carried out by our in-house logistics team and 3rd party logistics providers. Fire resistant doors of veneer finishing will be wrapped using polyethylene foam. Upon completion of the construction, fire tags will be delivered to the construction sites for inspection by BOMBA.

7. BUSINESS OVERVIEW (Cont'd)

7.5.3 Trading of wooden doors and ironmongery

(i) Wooden doors



(a) Order inquiry and confirmation of design specifications

For designs chosen from our wooden door selections

For customers who choose among our wooden door selections, the door dimension, door skin and core construction, can be customised to suit our customers' preference. A quotation with the quantity and design specifications of the wooden door will be provided to our customers for confirmation.

For customisation of wooden doors

For customers who request for a fully customised design, we will establish the design, dimensions, core construction and door skins during consultation with our customers. We will then prepare the drawings of the wooden doors and obtain a quotation from our suppliers. After we receive the quotation from our suppliers, we will provide a quotation with the quantity and design specifications of the wooden door to our customers for confirmation.

(b) Manufacturing

Once we received the order confirmation from our customers, we will provide the design specifications to our suppliers for mass manufacturing.

(c) Post-Manufacturing

- **Quality control inspection**

Upon receipt of wooden doors from our suppliers, we will conduct stock count and visual inspection to check the dimension and finishing. This is to ensure that the wooden doors are manufactured in accordance with our customers' requirements. If any defects in finishing are found during inspection, the defective items will be returned to our suppliers.

7. BUSINESS OVERVIEW (Cont'd)

- **Delivery to customers**

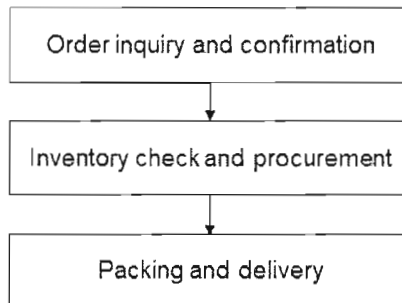
For standalone sale of wooden doors

The wooden doors will be delivered to our customers' construction sites. Delivery of wooden doors is carried out either by our in-house logistics team or 3rd party logistics providers. Wooden doors of veneer finishing will be wrapped with polyethylene foam.

For sale of wooden doors as complete door sets

For sale of wooden doors together with metal door frames and/or ironmongery as door sets, the metal door frames and the wooden doors together with its ironmongery will be delivered separately to our customers' construction sites based on the stages of their construction works. Metal door frames are delivered at earlier stages of the construction works to be installed as an integral part of the wall. The wooden doors together with its ironmongery are delivered at the later stage of the construction works as these parts are usually installed after structural works are completed. Delivery of wooden door sets is carried out by our in-house logistics team and 3rd party logistics providers.

(ii) **Ironmongery**



(a) **Order inquiry and confirmation**

Upon receiving order inquiry from our customers, we will provide a quotation of the quantity, types and specification of ironmongery to our customers for confirmation.

(b) **Procurement**

We will check our inventory for the availability of the required ironmongery in our warehouse. If the required types and quantity of ironmongery are available, the items will be picked in accordance to our customers' requirements to be sent for delivery.

We will also periodically check our inventory of ironmongery and if there is insufficient stock, we will procure from our OEM suppliers. Upon receipt of supply of ironmongery from our OEM suppliers, we will conduct inspection on the design specifications, quantity and quality to ensure that all items are in accordance with our requirements.

7. BUSINESS OVERVIEW (Cont'd)

(c) Delivery

For standalone sale of ironmongery

Ironmongery will be delivered to our customers' construction sites. The delivery of the ironmongery is carried out by our in-house logistics team and 3rd party logistics providers.

For sale of ironmongery as complete door sets

For sale of ironmongery as door sets together with metal door frames and/or doors (i.e. metal door, wooden door or fire resistant door), ironmongery are delivered at the later stage of the construction works together with the doors as the doors together with ironmongery are usually installed after structural works are completed. Delivery of ironmongery is carried out by our in-house logistics team and 3rd party logistics providers.

7.5.4 Manufacturing of metal doors

The manufacturing processes of metal doors is similar to the design and manufacturing processes of fire resistant doors (excluding the insertion of insulation materials, lipping fixing, fire seal fixing and sanding). However, the materials used for the manufacturing of metal doors are different, and the design, dimensions, materials used for the metal door can be customised to suit our customers' preference.

For standalone sale of metal doors, the doors will be delivered to our customers' construction sites. For sale of metal doors as door sets together with metal door frames and/or ironmongery, the metal door frames and metal doors together with its ironmongery are delivered separately to our customers' construction sites based on the stages of their construction works. The metal doors together with its ironmongery are delivered at the later stage of the construction works as these parts are usually installed after structural works are completed, while metal door frames are delivered at earlier stages of the construction works to be installed as an integral part of the wall.

However, revenue contribution from this product for the past 3 FYEs 2017 to 2019 and FPE 2020 is minimal.

7.6 INTERRUPTION IN BUSINESS DUE TO THE MOVEMENT CONTROL ORDER

Save for the interruption in business arising from the Movement Control Order as disclosed below, we have not experienced any interruption to our business which had significantly affected our operations for the past 12 months preceding the LPD. We expect our financial performance moving forward, to be affected in terms of delayed revenue recognition for the period of the Movement Control Order, resulting in lower recognition of revenue for the current FYE 2020. However, it has not deterred our plan to implement our business strategies as detailed in Section 7.17.

The government's imposition of the Movement Control Order nationwide from 18 March 2020 to 3 May 2020, as a measure to curb the spread of the Covid-19 virus has halted most economic activities in Malaysia, including our manufacturing operations as we were not considered a critical sector for the supply of essential goods. Pursuant to the announcement on 16 April 2020 to allow additional economic sectors to operate, we resumed operations at 50% of our work force on 20 April 2020 after obtaining approval from MITI on 17 April 2020 and after complying with the standard operating procedures

7. BUSINESS OVERVIEW (Cont'd)

and other rules and guidelines required by MITI. We subsequently increased our work force to 100% under the conditional Movement Control Order on 4 May 2020.

The suspension during the Movement Control Order had affected our operations and financial performance as follows:

- (i) Delay in the production of our products. The Movement Control Order halted most economic activities, so there were delays in production which led to delays in deliveries of our products. As we are now allowed to fully operate without any further restrictions (e.g. on number of workers or working hours), we do not expect further delays in our production progress from our initial production schedule other than during the Movement Control Order period. Although our customers have resumed operations, as our deliveries are dependent on the progress of the construction of the property developments which construction was halted during the Movement Control Order, this had resulted in delay in deliveries of our products.
- (ii) Slower generation and close of sales due to limitations in the execution of our sales and marketing activities. However, during the Movement Control Order, our sales and marketing team had continued to provide quotations to our customers as well as continued to develop specification proposals in consultation with the main contractors, architects and property developers on metal door frame profiles for the property developers' upcoming projects. On a few occasions, property developers (who are our end customers) have also conducted tender interviews with our sales and marketing team via video conferences. After we resumed operations, our sales and marketing team re-established contact with our customers and where requested, submitted samples of our products as well as followed-up on their decision on the purchase orders. As at the LPD, there are no cancellation of purchase orders.

As can be seen from our monthly operating production and utilisation rates for the FPE 2020, our March 2020 and April 2020 production utilisation rates for metal door frames and fire resistant door sets were below 50% as compared to the average monthly utilisation rates (calculated from September 2019 to February 2020) of 76.24% and 73.08%, respectively before the imposition of the Movement Control Order. We recorded operating production for March 2020 and April 2020 collectively of 17,603 units for metal door frames and 1,776 units for fire resistant door sets as compared to the average monthly operating production (calculated from September 2019 to February 2020) of 24,778 units for metal door frames and 1,881 units for fire resistant door sets before the imposition of the Movement Control Order.

	Monthly capacity (units)	Monthly production (units)	Utilisation rate (%)
<i>Metal door frames</i>			
September 2019	31,250	22,128	70.81
October 2019	33,750	24,293	71.98
November 2019	32,500	26,161	80.50
December 2019	32,500	26,139	80.43
January 2020	33,750	23,664	70.12
February 2020	31,250	26,284	84.11
March 2020	32,500	13,940	42.89
April 2020	32,500	3,663	11.27
May 2020	32,500	19,707	60.64

7. BUSINESS OVERVIEW (Cont'd)

	Monthly capacity (units)	Monthly production (units)	Utilisation rate (%)
<i>Fire resistant door sets</i>			
September 2019	2,475	1,801	72.77
October 2019	2,673	1,884	70.48
November 2019	2,574	1,916	74.44
December 2019	2,574	1,909	74.16
January 2020	2,673	1,875	70.15
February 2020	2,475	1,901	76.81
March 2020	2,574	1,261	48.99
April 2020	2,574	515	20.01
May 2020	2,574	1,608	62.47

We recorded all-time low production utilisation rates of 11.27% and 20.01% in April 2020 for metal door frames and fire resistant door sets, respectively. As we still had to incur fixed overhead costs during the period our business operations were suspended, we incurred a loss after tax of approximately RM0.38 million at the height of the Covid-19 pandemic in April 2020. Nonetheless, with the easing and relaxation of restrictions imposed during the Movement Control Order, we are seeing a gradual recovery in the production and deliveries of our products.

As at 31 May 2020, we have cash and bank balances of RM3.09 million and unutilised credit facilities of RM6.00 million. Taking into consideration our existing available liquid funds and that we have resumed our operations, we do not foresee any circumstances which may materially affect our liquidity.

In response to the Covid-19 outbreak, our Group has established an emergency response protocol committee which comprises mainly of key management personnel to oversee the adherence of infection control measures based on the guidelines and standard operating procedures issued by MITI. The infection control measures include amongst others:

- (i) Wearing of face masks;
- (ii) Taking and recording daily body temperatures before entering the work places;
- (iii) Sanitise of hands prior to entering work places and all employees are encouraged to sanitise or wash their hands with soap and water frequently throughout the day;
- (iv) Sanitise all common areas of work places 3 times a day (i.e. before commencement of work, after lunch and after close of business); and
- (v) Practice 1 metre social distancing at the work place particularly at common areas such as at the pantry area and photocopying station. We also segregate our factory workers according to our factory premises to ensure they do not mingle (including during lunch time) unless permission is granted by the factory supervisor.

In addition, our Group has put in place a business contingency plan in the event of any infected cases at our business premises, which is summarised as follows:

- (i) Established an emergency response protocol committee;
- (ii) Monitor the health status of all employees and maintain an up-to-date contact list of employees. If an employee exhibits symptoms of illness at work, his supervisor or manager will be notified immediately to relieve the ill employee from work so as to seek medical attention. The ill employee's work area will also be disinfected;
- (iii) Undertaken staff planning and rotation of skilled workers; and
- (iv) Cross trained employees to ensure essential functions can continue.

7. BUSINESS OVERVIEW (Cont'd)

Further elaboration is illustrated below:

(a) Sales and marketing:

Our Group's staffing plan has incorporated "back-up" personnel for major customers by assigning 2 personnel-in-charge for each purchase order. Both personnel-in-charge are not to make any external appointments or business trips together to mitigate the risk of infection. Where possible, unnecessary travels and face-to face meetings are postponed and alternative ways to conduct meetings is encouraged;

(b) Production:

Production supervisors (who are based on the factory floors) are encouraged to use on-line communication or phone calls to report to the Production Manager and Production Controller who are based in the office. Both the Production Manager and Production Controller shall act as "back-up" production supervisors. Factory workers have been segregated among the factories and staffing plan has been put in place to rotate our skilled workers for the core production processes for the metal door frames and fire resistant doors. In the event of infection, the factory work force and production shifts may be re-organised to overcome manpower shortage, and where necessary, the Production Manager and/or Production Controller may act as the "back-up" production supervisor;

(c) Finance & Accounting, Human Resource and Procurement:

To ensure that the payroll, finance and accounting, and procurement systems continue to function, in addition to social distancing practices currently in place, we have assigned "back-up" personnel to each task on a rotating basis such as:

- Accounts personnel who is in charge of Accounts Payable is rotated with the personnel-in-charge of Accounts Receivables;
- Personnel-in-charge of production workers' payroll is rotated with personnel-in-charge of management office staff's payroll; and
- Personnel-in-charge of materials procurement for fire resistant doors is rotated with personnel-in-charge of metal door frames.

Any infected personnel will be quarantined and we will close our business premises for 1 day for sanitisation and for all employees to undergo a health screening test. The back-up personnel will then cover the duties of the infected personnel's functions to ensure continuity of operations.

We envisage we will continue to implement the infection control measures and business contingency plan listed above until such time depending on the recommendations or guidelines issued by the government and MITI.

We are not in breach of any laws relating to Covid-19 restrictions which may lead to penalties by the relevant authorities.

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7. BUSINESS OVERVIEW (Cont'd)

7.7 QUALITY CONTROL

We place high importance on the quality of our products to ensure that our customers are satisfied with our products and that our products meet the required quality standards. Thus, we implement stringent quality control procedures throughout our manufacturing processes as depicted below:

Stage	Quality inspections
<p>Pre-Manufacturing Materials procurement</p>	<ul style="list-style-type: none"> • Inspection on raw materials to ensure: <ul style="list-style-type: none"> - Quantity and specification match procurement details.
<p>Manufacturing Metal door frames</p>	<ul style="list-style-type: none"> • Inspection on sampling basis during the manufacturing processes to ensure: <ul style="list-style-type: none"> - The individual sides of metal door frames are welded accordingly to form complete door frames with levelled sides. - Technical specifications such as type of profiles and dimensions are as per customers' specifications.
<p>Fire resistant doors</p>	<ul style="list-style-type: none"> • Inspection on all of the fire resistant doors during the manufacturing processes to ensure: <ul style="list-style-type: none"> - The fire resistant boards and outer layer boards are appropriately bonded together. - The dimension and finishing are inspected to ensure that the fire resistant doors are manufactured in accordance with our customers' requirements.
<p>Metal window frames</p>	<ul style="list-style-type: none"> • Inspection on sampling basis during the manufacturing processes to ensure: <ul style="list-style-type: none"> - The individual sides of metal window frames are welded accordingly to form complete window frames with levelled sides. - The functionality of louvres for louvred windows are tested and examined. - Technical specifications such as designs and dimensions are as per customers' specifications.
<p>Metal doors</p>	<ul style="list-style-type: none"> • Inspection on a sampling basis during the manufacturing processes to ensure: <ul style="list-style-type: none"> - The smoothness and finishing of the metal doors are examined to ensure that no flaws are present; and - Technical specifications such as designs and dimensions are as per customers' specifications.
<p>Post-Manufacturing Delivery</p>	<ul style="list-style-type: none"> • Inspection on the final products on sampling basis to ensure: <ul style="list-style-type: none"> - Final products meet the required specifications as per customers' requirements.

7. BUSINESS OVERVIEW (Cont'd)

For new suppliers, we conduct pre-qualification assessment in terms of their product range, production capacities, range and technical specifications of materials and ability to deliver in a timely manner. As part of our pre-qualification assessment, we will conduct durability and functionality tests and quality checks on their sample products. This is to ensure the selected suppliers are able to cater to our needs and meet our required quality standards. Upon receipt of the products, we will conduct a quality inspection to ensure that the type, quantity and quality of products received are in accordance with our requirements.

In addition, we conduct an annual assessment on all suppliers for steel coils, fire resistant boards, insulation materials and outer layer boards. For the annual assessment, samples from the suppliers are assessed in terms of strength and durability.

We place high importance on the quality of our products to ensure that our customers are satisfied with our products and that our products meet the required quality standards. Thus, we implement stringent quality assurance procedures on our manufacturing operations for our metal door frames, metal window frames, fire resistant doors and metal doors. Further, our fire resistant door sets are SIRIM certified whereby the fire resistant door sets are tested for fire resistance and cyclic movement endurance. Our fire resistant door sets are approved by BOMBA.

According to SIRIM, SIRIM certification is not mandatory unless it is made mandatory by regulatory agencies such as the Energy Commission, BOMBA, Malaysian Communications and Multimedia Commission, National Water Services Commission, Road Transport Department and others. Our fire resistant door sets are regulated by BOMBA; and BOMBA requires our fire resistant door sets to be certified by SIRIM before BOMBA grants us the approval certificates for our fire resistant door sets. Other products such as metal door frames, metal window frames, metal doors, wooden doors and ironmongery are not regulated by any regulatory agencies, and therefore, SIRIM certifications are not mandatory for these products.

Further, we maintain our ISO 9001:2015 Quality Management Systems certification from SIRIM for the manufacturing of fire resistant door sets.

7.8 WARRANTY

(i) For products we manufacture:

- **Metal door frames and metal window frames** - We provide 10 years warranty for metal door frames and metal window frames made of Zinalume® as well as a 2 years warranty against manufacturing defects (i.e. welding defects) for our metal door frames and metal window frames.
- **Fire resistant door sets** – We provide 2 years warranty against manufacturing defects (i.e. warping) for our fire resistant door sets.

Defects caused by natural disaster, natural weathering or damages from alteration, improper handling or storage, and natural variations in colour and texture due to direct exposure to sunlight, water, chemical or fumes are not covered by the warranty.

As at the LPD, we did not receive any warranty claims for our manufactured products.

7. BUSINESS OVERVIEW (Cont'd)

(ii) For products we source from suppliers:

- **Wooden doors** - We provide a warranty period of 2 years against manufacturing defects for our wooden doors on a back-to-back basis with our suppliers.
- **Ironmongery** - We provide a warranty period of 5 years for the locking mechanisms and all mechanical parts of our ironmongery on a back-to-back basis with our OEM suppliers.

In the event these products are found defective within the warranty period and the defects are covered under the warranty, we will return the defective items to our suppliers and/or request for repair or replacements at our suppliers' cost.

We did not receive any warranty claims for the FYE 2017 and FPE 2020. We received warranty claims of RM142 for the FYE 2018 and RM3,134 for the FYE 2019 against defective ironmongery. These warranty claims were borne by our ironmongery OEM suppliers.

7.9 KEY MACHINERY AND EQUIPMENT

A summary of our key machinery and equipment is set out as below:

Machinery and equipment	Function	Average age⁽¹⁾ (years)	No. of units	NBV as at 31 May 2020 (RM)
Manufacturing of metal door frames				
Shearing machine	To cut steel coils into metal sheets of the required lengths	7	3	57,967
Stamping machine	To cut metal sheets into the desired shape for the joints of the metal door frame with stamping press	1	26	50,779
CNC bending machine	To bend and shape the stamped metal sheets into desired profiles	8	9	86,625
Welding machine	To join two metal pieces by the application of heat	5	10	1,207
Grinding machine	To grind or polish the surface of the welded joints of the metal door frame	1	20	(2)
Conveyor system	To transport materials from one location to another	3	3	27,020
Manufacturing of fire resistant door sets				
Wood cutting machine	To cut wooden panels into desired size and dimension	5	3	90,370

7. BUSINESS OVERVIEW (Cont'd)

Machinery and equipment	Function	Average age⁽¹⁾ (years)	No. of units	NBV as at 31 May 2020 (RM)
Wood press machine	To strengthen the bonding of wooden boards on door structure	5	5	61,057
Glue spreader machine	To spread and apply glue on wooden boards	3	3	21,569
Surface sanding machine	To smoothen or polish the surface of wooden boards	5	1	15,937
Dust collection system	To collect dust or impurities from air	4	2	30,345
			Total	442,876

Notes:

- (1) As at 31 May 2020.
- (2) Fully depreciated as at 31 May 2020.

7.10 OPERATING CAPACITIES AND OUTPUT

Our annual capacity is calculated based on the following:

- (i) 2 working shifts of 16 hours per working day comprising 8 hours per working shift;
- (ii) estimated maximum number of metal door frames of 1,389 or fire resistant door sets of 74 manufactured per working day; and
- (iii) 312 working days per year.

The maximum number of metal door frames and fire resistant door sets manufactured per working day is estimated based on our current manufacturing configurations and manufacturing space.

Our annual operating capacities and utilisation rates for the FYE 2019 are depicted below:

	Annual capacity (units)	Actual production (units)	Utilisation rate (%)
Metal door frames	433,368	325,118	75.02
Fire resistant door sets	23,088	17,265	74.78

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7. BUSINESS OVERVIEW (Cont'd)**7.11 TYPES, SOURCES AND AVAILABILITY OF MATERIALS**

The table below sets out the major types of materials purchased for our business in the FYEs 2017 to 2019 and FPE 2020:

Purchase category	FYE 2017		FYE 2018		FYE 2019		FPE 2020	
	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾
Manufacturing:								
Steel coils	13,225	54.9	16,568	59.6	13,210	52.3	9,430	51.4
Ironmongery	2,230	9.3	2,319	8.3	2,921	11.6	2,355	12.8
Fire resistant boards	160	0.7	690	2.5	2,186	8.7	1,104	6.0
Plywood	82	0.3	665	2.4	596	2.4	470	2.6
Insulation materials, fire seal and glue	64	0.3	537	1.9	737	2.9	985	5.4
Trading								
Fire resistant boards	5,917	24.6	3,290	11.8	-	-	-	-
Ironmongery	228	0.9	955	3.4	2,364	9.4	1,865	10.2
Wooden door	2,163	9.0	2,785	10.0	3,240	12.8	2,128	11.6
Total purchases	24,069	100.00	27,809	100.00	25,254	100.00	18,337	100.00

Note:

(1) As a percentage of total purchases.

The materials that we use are readily available and sourced from local and foreign suppliers.

The prices of steel coils have fluctuated in the FYEs 2017 to 2019 and FPE 2020 as a result of demand and supply conditions. For e.g. the average prices of electro-galvanised steel coils for the FYEs 2017, 2018, and 2019 and FPE 2020 were RM3,068 per MT, RM3,313 per MT, RM3,080 per MT and RM2,851 per MT respectively. Nevertheless, there has been no material impact to our Group as our selling prices to our customers are adjusted to reflect the market prices of steel coils purchased.

Currently, we source our wooden doors from 2 suppliers and 11 OEM suppliers for our ironmongery. We are not dependent on our suppliers as the wooden doors and ironmongery are readily available and can be easily sourced from other local or foreign suppliers.

We generally take into account suppliers' lead time to prevent potential major disruptions to our manufacturing activities. All suppliers are evaluated in terms of pricing, production capacities, range and technical specifications of materials, ability to meet our quality requirements and deliver in a timely manner.

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7. BUSINESS OVERVIEW (Cont'd)

7.12 TECHNOLOGY USED OR TO BE USED

Our Group employs the following technologies for the manufacturing of metal door frames and fire resistant door sets:

Technology	Description
CNC press braking method	CNC is a computer programme that converts the design created via a Computer Aided Design ("CAD") software, into numbers. The numbers are presented as coordinates of a graph which allows manipulation of the press brake's movement. Thus, CNC can control the bending and shaping of the formed metal sheets with precision.
Press stamping method	Press stamping method is a process of placing flat sheet metal into a stamping press where a tool and die surface forms the metal into required shapes and specifications. This method involves metalworking processes such as forming, drawing, trimming, blanking and/or piercing metal.

7.13 D&D

As at the LPD, we do not have a formal D&D plan or policy. Nonetheless, we recognise the importance of D&D in ensuring our competitiveness to sustain the continuous growth of our business. Our D&D efforts by Lim Chin Horng (our Managing Director) and Yong Chaw Ang (our Production Manager) include:

- (i) Designing and developing new metal door frames profiles to expand our metal door frames profile selection. Further, with our design engineering capabilities, we have continuously been able to provide customised metal door frames to meet our customers' requirements.
- (ii) Designing and developing products that are complementary to our current product offerings. In 2015, we commenced product development of fire resistant door sets and in 2017, we successfully obtained our first certifications from SIRIM and BOMBA to manufacture fire resistant door sets with 1 hour fire rating.

7.14 SALES AND MARKETING STRATEGIES

Our sales and marketing team is led by Khoo Soon Beng (our Executive Director) with a team of 7 sales and marketing personnel. The sales and marketing strategies adopted by our Group are as follows:

(a) Relationships with business associates

We work closely with our business associates such as architects and quantity surveyors to obtain their requirements, feedback and recommendations on our products. These business associates are responsible for the development and approval of engineering designs for construction projects, and we actively collaborate with them to promote and incorporate our products into the design specifications of their development projects. Thus, in turn, they recommend our products to our potential customers which are mainly property developers and construction companies.

7. BUSINESS OVERVIEW (Cont'd)**(b) Customer referrals**

We have been present in the metal door frame and door industry for over 18 years, serving our customers in the construction and property development segments, and have built our reputation based on quality products delivered to our customers. This has enabled us to attract new customers through referrals from existing customers. Our sales and marketing team maintains long-term working relationships with our customers and this facilitates on-going customer referrals.

(c) Cross-selling of our products

As a total door system solution provider, we are able to offer complementary products for customers who require door system solutions. As such, we are able to cross-sell our products to our customers who require door system solutions. As an illustration, we are able to market and sell our metal door frames along with our wooden doors, fire resistant door sets, metal doors and ironmongery.

(d) Sales and marketing materials

We use sales and marketing materials such as printed corporate profiles, brochures and catalogues which provide our corporate information and details of our products to promote our product offerings to existing and potential customers at trade exhibitions and events.

As the sales and marketing of our products require extensive knowledge of our offerings, our sales and marketing materials are used by our sales and marketing team when explaining the features and functions of our products during face-to-face contact with customers.

(e) Trade exhibitions and events

We participate in local and international trade exhibitions and events to exhibit our products. We believe that such participation helps to strengthen our brand presence as it enables us to showcase our product offerings and capabilities. In addition, these trade exhibitions and events are platforms for reaching out to potential customers, and stay abreast of industry trends and development.

The major trade exhibitions and events that our Group has participated over the FYEs 2017 to 2019 and FPE 2020 are as follows:

Year	Exhibition/ event	Organiser	Location
2017	ARCHIDEX 2017	C.I.S Network Sdn Bhd	Kuala Lumpur, Malaysia
2018	ARCHIDEX 2018	C.I.S Network Sdn Bhd	Kuala Lumpur, Malaysia
July 2019	ARCHIDEX 2019	C.I.S Network Sdn Bhd	Kuala Lumpur, Malaysia
March 2019	MegaBuild Indonesia	Debindo International Trade and Exhibition	Jakarta, Indonesia
September 2019	VIETBUILD (HCMC) 2019	Promodex Event Sdn Bhd	Ho Chi Minh City, Vietnam
October 2019	6 th Myanmar Build & Décor 2019	Promodex Event Sdn Bhd	Yangon, Myanmar

7. BUSINESS OVERVIEW (Cont'd)

(f) Corporate websites

We have established corporate website at <http://www.econframe.com> which provide information on our product offerings to potential customers. Enquiries through our corporate websites are directed to our sales and marketing team.

7.15 SEASONALITY

Our operations are not significantly affected by seasonal/ cyclical effects. Our customers generally operate throughout the year.

7.16 COMPETITIVE STRENGTHS

(i) We are a total door system solution provider for residential, commercial, mixed and industrial properties

We are able to provide complete door sets as a one-stop provider to our customers. This provides convenience to our customers as they are able to purchase complete door sets for use in different parts of the property from us, and saves them time and effort from having to deal with multiple suppliers. We offer a variety of metal door frame profiles, fire resistant door sets as well as metal and wooden doors which can also be customised to suit our customers' requirements. We also offer a broad selection of ironmongery.

Our products are supplied to a diversified portfolio of property developments including residential, commercial, mixed and industrial developments. This is a testament to our ability to supply products that are suitable for different requirements. With a diversified portfolio in the property sector, we are not reliant on the performance of any one particular property sub-segment.

(ii) We have a strong portfolio with notable property developers and construction companies

Since the commencement of our business in 2001, we have accumulated a keen interest of end customers who are notable property developers and a strong portfolio of direct customers who are construction companies. Our ability to supply our products to a wide range of property developments and to build a proven track record among notable property developers and construction companies is a testament to our ability to deliver quality and reliable products in a timely manner.

We have supplied our products to property developments by notable property developers which include amongst others, Aset Kayamas, Eco World, Gamuda, IJM Land, IOI Properties, LBS Bina, Mah Sing, Matrix Concepts, Sime Darby and SP Setia through our customers who are either main contractors or building materials trading arms of property developers. Please refer to Section 7.3 for the list of some of the various property developments by notable property developers where we supplied our products.

As a supplier to property developments by notable property developers and construction companies, we are required to comply with their product and quality control requirements, which is a testament to our standing as an industry player with proven credentials.

7. BUSINESS OVERVIEW (Cont'd)

Our success in the domestic market thus far serves as a reference for our Group as we continue to secure new customers locally and overseas. The overseas market also serves as a large addressable market for our Group to tap into for future growth opportunities.

(iii) We have the technical capabilities to design and manufacture metal door frames with customised profiles and dimensions

We are able to customise our metal door frames to suit various wall configurations and door specifications. Customers can choose from our broad range of off-the-shelf profile selection of 34 profiles or request for customised profile designs. Each profile can be customised in terms of its dimension to suit the wall and door dimension.

We take into consideration various factors when designing our metal door frames, including the types of wall (i.e. drywall, shear wall, brick wall), wall thickness, types of wall installation (e.g. flush frame to wall or protruding frame to wall), material types, material thickness, door thickness, door dimensions, aesthetic requirements and costing. This is because our metal door frames are made to the exact requirements of the door and wall for which the metal door frames are intended.

Our Group's ability in customising metal door frames is made possible through our continuous D&D efforts, and supported by our manufacturing capabilities through our technical expertise in the press forming method coupled with our CNC bending machines.

(iv) Our proven industry track record and reputation is backed by our in-house brands ECONFRAME® and DUROE®

Our Group has been involved in the metal door frame and door industry for over 18 years. Our ability to cultivate strong and long-term business relationships with our customers have led to the continued success and growth of our Group, and these long-standing business relationships are a testament to our proven industry track record. As described in Section 7.3, we have also been able to secure orders for our products in property developments by notable property developers.

With this, our Group has in-depth industry knowledge and understanding, which enables us to respond to changes in our customers' requirements and demand as well as develop sales and marketing strategies for our targeted customers. Thus, we are able to gain our customers' loyalty and trust towards our products.

In addition, our in-house brands, namely ECONFRAME® and DUROE®, are recognised by property developers, architects and other professionals involved in construction projects in relation to metal door frames, fire resistant door sets and ironmongery. This provides assurance to our customers on the reliability and quality of our products, and serves to further enhance our industry reputation.

Our customers are mainly main contractors and building materials trading arms of property developers. Our in-house brands ECONFRAME® and/or DUROE® have been specified in the BQ by some of our end customers who are notable property developers or architects.

7. BUSINESS OVERVIEW (Cont'd)

Our in-house brands being specified in the BQ by property developers or architects may be based on several factors which include their familiarity with us, our past working experiences, track record, resources and ability to supply quality products on a timely manner.

This demonstrates our Group's ability to gain recognition from both professionals involved in property developments including architects, engineers and contractors as well as property developers.

(v) We have a management team with strong industry experience

We have been operating our business since 2001 and we are led by an experienced senior management team. Throughout the years, we have built a reputation through our management's experience, market expertise and industry knowledge.

Our Group is led by our Managing Director, Lim Chin Horng, who has over 30 years of experience in the metalworking industry, including 19 years in the metal door frame business. Lim Chin Horng plays a pivotal role in spearheading the strategic planning and business development of our Group.

Lim Chin Horng is supported by the following key senior management personnel:

Name	Designation	Years of relevant working experience
Khoo Soon Beng	Executive Director	30
Yong Wai Kin	Chief Financial Officer	30
Lai Shu San	Senior Operation Manager	27
Yong Chaw Ang	Production Manager	14
Soi Wen Li	Purchasing Manager	22
Ang Sze Cie	Production Controller	8

Our Managing Director and key senior management team, with their experience and expertise in the metal door frame and door industry as well as in their respective fields of expertise, will continue to be instrumental in our growth and business expansion.

7.17 BUSINESS STRATEGIES**(i) Capitalise on our fire resistant door manufacturing experience and skills to expand our manufacturing capabilities to manufacture our wooden doors in-house**

Moving forward, we intend to design and manufacture our wooden doors in-house as we aim to actively grow our wooden door business. Currently, we source our wooden doors from suppliers and distribute them to our customers.

7. BUSINESS OVERVIEW (Cont'd)

Our revenues generated from wooden doors segment has been increasing for the past 3 FYEs 2017 to 2019 at RM3.06 million, RM3.52 million and RM4.37 million respectively.

By manufacturing our wooden doors, we will be less dependent on suppliers and we will be able manage our cost of sales more effectively, hence improving our profitability. In addition, this allows us to have control over the supply and quality of our wooden doors.

We will leverage on our experience and capabilities in manufacturing fire resistant doors to manufacture wooden doors. This is because the design and manufacturing processes of wooden doors require similar skills and machines to the design and manufacturing processes of fire resistant doors (excluding the insertion of insulation materials, lipping fixing, fire seal fixing and sanding).

We expect to commence our wooden door manufacturing activities during the 4th quarter of 2020 in our Factory 4. Our existing fire resistant door manufacturing line in Factory 4 will support the manufacturing of wooden doors as the existing machinery used for the manufacturing of fire resistant doors in Factory 4 can be used for the manufacturing of wooden doors.

In addition, we have acquired additional machines which include 2 wood press machines and 1 glue spreader machine for the manufacturing of fire resistant doors which can also be used for the manufacturing of wooden doors. The purchase cost of the 2 wood press machines was RM39,141 and for 1 glue spreader machine was RM11,342, which was funded through our internally generated funds. The acquisition of these 2 wood press machines and 1 glue spreader machine, supported by our existing fire resistant door manufacturing line, will give us an annual capacity of 62,400 units of wooden doors.

Factory 4 has sufficient capacity to include the manufacturing of wooden doors as we will reconfigure our existing machines for the fire resistant door manufacturing line to incorporate the 2 wood press machines and 1 glue spreader machine which will occupy approximately 300 sq ft of manufacturing floor space in Factory 4.

(ii) We intend to improve our manufacturing efficiency and upgrade our manufacturing technology to support the long-term growth of our business

We have been actively involved in the metal door frame and door industry for over 18 years and have managed to establish our ECONFRAME® and DUROE® brands in the domestic market which can be proven through our track record. Please refer to Section 7.3 for the list of some of the various property developments by notable property developers where we supplied our products.

To support the long-term growth of our business, we intend to improve our manufacturing efficiency and upgrade our manufacturing technology, as follows:

(a) Improve our manufacturing workflow by optimising manufacturing capacity with a new factory

As part of our strategy to continue growing our business, our Group intends to expand and optimise our manufacturing capacity by constructing a new factory in Kapar, Klang.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, our current business and manufacturing activities are carried out at Factory 1, Factory 2, Factory 3 and Factory 4. Our factories have a total combined built-up area of approximately 39,000 sq ft. Our current manufacturing set-up is not optimised for the manufacturing of our metal door frames which are generally bulky. This is because the machines for different stages of the manufacturing process are located in separate factories.

Further, we recently purchased 2 wood press machines and 1 glue spreader machine for the manufacturing of wooden doors which occupy more factory floor space. As at the LPD, approximately 25,000 sq ft of our factory floor space is utilised for manufacturing activities whereas approximately 7,000 sq ft is for warehousing purpose and approximately 7,000 sq ft as our office areas. Our limited manufacturing floor space restricts our manufacturing workflow as machines are placed close to one another with limited space for manufacturing, storing and movement of work-in-progress products from one machine to another through each stage of the manufacturing process. This restriction affects our manufacturing workflow as unnecessary time and manpower is utilised to manually manoeuvre our products from one machine to another within limited space. Further, automation of workflow is limited as our machines cannot be arranged into one continuous production line to optimise automation within the limited space in our current factories.

By constructing a new factory with larger floor space, we will centralise our manufacturing activities within one building and reconfigure the placement of our machines to improve our manufacturing workflow and efficiency. This will allow our manufacturing workflow to be more linear and continuous as compared to our current manufacturing workflow. Our manufacturing lines in the proposed new factory will adopt advanced robotic technology as described in Section 7.17(ii)(b) and house a manufacturing line for the manufacturing of wooden doors as described in Section 7.17(i), which will be made possible with the larger floor space. The larger floor space is also important to provide a comfortable working space and to prevent any potential safety hazards.

As at the LPD, we have identified the land in which we intend to purchase for the construction of the proposed new factory. However, we have not paid any deposit for the land. We expect to complete the purchase of the land within 3 months upon Listing. The construction is expected to be completed within 12 months from commencement date of the construction. We expect our proposed new factory to be in full operation by 2022. The indicative timeline for the construction of our proposed new factory is targeted to be as follows:

Timeframe (from the date of Listing)	Details
T + 3 months	<ul style="list-style-type: none"> • Completion of acquisition of land
T + 6 months	<ul style="list-style-type: none"> • To obtain approval from the MPK on planning permit and building plan • Commencement of construction of factory
T + 9 months	<ul style="list-style-type: none"> • Purchase of 1 CNC bending machine in-built with robotic arms and 1 robotic welding line for manufacturing of metal door frame, to be placed at existing factories for testing and trial run

7. BUSINESS OVERVIEW (Cont'd)

Timeframe (from the date of Listing)	Details
T + 18 months	<ul style="list-style-type: none"> • Completion of factory construction
T + 20 months	<ul style="list-style-type: none"> • To obtain CCC for the factory
T + 22 months	<ul style="list-style-type: none"> • To obtain business licence from MPK • To obtain approval from Department of Occupational Safety and Health • To obtain approval from MITI/MIDA for manufacturing licence
T + 23 months	<ul style="list-style-type: none"> • Installation and reconfiguration of manufacturing lines for metal door frames, fire resistant doors and wooden doors • Purchase of remaining 1 CNC bending machine in-built with robotic arms and 3 robotic welding lines for manufacturing of metal door frame
T + 24 months	<ul style="list-style-type: none"> • Commissioning of new robotic welding lines for manufacturing of metal door frames

The proposed new factory is expected to have a built-up area of approximately 65,000 sq ft comprising areas for warehouse, manufacturing, D&D and office areas. The total floor space for manufacturing activities will be approximately 55,000 sq ft.

Our management estimates that the total cost of land purchase and construction of the proposed new factory is approximately RM8.60 million (not including stamp duty and other incidental costs) and where approximately RM5.00 million will be funded from our IPO proceeds.

In addition, we made certain additions to the front, side and back portions of the original structure of our factories, which include, but not limited to metal decking roofs over our existing factories, metal louvers, metal frame partition walls, storage cabins, septic tanks and toilets ("Additions"). Whilst MPK had issued an approval under the Building By-Laws for these Additions as permitted temporary structures for a period of 10 years, vide its letter dated 11 June 2019, the Structure Permit is to be renewed annually. We currently possess a valid Structure Permit which shall expire on 31 December 2020 and which we will renew prior to the expiry date. The proposed new factory is line to comply with MPK's 10 year permitted structure period.

(b) Upgrade our manufacturing technology by automating and adopting advanced robotic technology

Currently, in our metal door frame manufacturing process, our metal door frames are assembled by our skilled workers carrying out manual welding. Manual welding is labour intensive and takes up significant manufacturing time. In order to reduce our dependency on manual labour, we plan to increase automation of our manufacturing process by implementing robotic welding into our manufacturing operations. This plan is in-line with the Government of

7. BUSINESS OVERVIEW (Cont'd)

Malaysia's initiative towards Industry 4.0 which encourages the adoption of automation in manufacturing processes.

By automating our welding and profile forming processes through advanced robotic technology, this will increase our welding and profile forming's overall productivity, thus contributing to increased output in our manufacturing operation. As such, our lead time for the manufacturing of metal door frames will be optimised. In addition, we will also be able to minimise human error and ensure consistency of the quality of our products.

Hence, we intend to purchase 4 robotic welding lines to replace our existing manual welding process to increase automation in our metal door frame manufacturing process. With the purchase of the 4 robotic welding lines, we will be able to reduce our dependency on skilled workers by 6 personnel.

We also intend to purchase 2 units of CNC bending machines in-built with robotic arms to automate our profile forming process for our metal door frames. Currently, our profile forming process is carried out by our skilled workers who manually feed the stamped metal sheets into the CNC bending machines to form the bends of the metal door frames. With the purchase of these CNC bending machines in-built with robotic arms, this manual process will be eliminated and we will be able to reduce our dependency on skilled workers by 6 personnel.

Further, it may take time to hire workers and thus, skilled workers who have resigned may not be replaced immediately. Additionally, new skilled workers will undergo on-the-job training for at least 2 years to gain sufficient skills and expertise to operate with minimal supervision and during this time, we may be faced with insufficient experienced skilled workers. By automating through advanced robotic technology, we will be able to minimise the challenges we may face when we rely on skilled workers.

The expected cost for the integration of these 4 robotic welding lines and 2 CNC bending machines in-built with robotic arms is estimated to be approximately RM4.00 million, which will be funded via our IPO proceeds. These machines will be housed in our new factory as described in Section 7.17(ii)(a). We intend to purchase the 4 robotic welding lines and 2 CNC bending machines in-built with robotic arms for the new factory within 24 months upon Listing.

For the FYE 2019, our annual operating capacity was 433,368 units and 23,088 units for metal door frames and fire resistant door sets respectively. With improved manufacturing workflow and upgraded manufacturing technology, we expect to improve our annual operating capacity by 35% for both our metal door frames and fire resistant door sets.

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7. BUSINESS OVERVIEW (Cont'd)

7.18 MAJOR CUSTOMERS

Our top 5 major customers and their respective revenue contribution for the FYEs 2017 to 2019 and FPE 2020 are as follows:

No.	Name	Description	Revenue contribution		Products sold	Length of relationship Years
			RM'000	%		
<u>FYE 2017</u>						
1.	Pembinaan Bintang Baru Sdn Bhd	Main contractor	2,050	5.8	Metal door frame, fire resistant door set, wooden door, metal door, ironmongery	16
2.	Sri Binaraya Sdn Bhd	Main contractor	1,775	5.0	Metal door frame, fire resistant door set, ironmongery	16
3.	Matrix Excelcon Sdn Bhd	Main contractor	1,269	3.6	Metal door frame, fire resistant door set	4
4.	Binastra Construction Sdn Bhd	Main contractor	929	2.6	Metal door frame, fire resistant door set	17
5.	Kenwingston Sdn Bhd	Property developer / Main contractor	851	2.4	Metal door frame, fire resistant door set	4
Total revenue			35,494			
<u>FYE 2018</u>						
1.	Kenwingston Sdn Bhd	Property developer / Main contractor	2,743	6.9	Metal door frame, fire resistant door set	4
2.	Pembinaan Bintang Baru Sdn Bhd	Main contractor	1,239	3.1	Metal door frame, fire resistant door set, wooden door, metal door, ironmongery	16
3.	Inta Bina Sdn Bhd	Main contractor	1,128	2.8	Metal door frame, fire resistant door set, metal door, ironmongery	14
4.	Sri Binaraya Sdn Bhd	Main contractor	1,031	2.6	Metal door frame, fire resistant door set, ironmongery	16
5.	Matrix Excelcon Sdn Bhd	Main contractor	1,029	2.6	Metal door frame, fire resistant door set	4
Total revenue			39,834			

7. BUSINESS OVERVIEW (Cont'd)

No.	Name	Description	Revenue contribution		Products sold	Length of relationship Years
			RM'000	%		
<u>FYE 2019</u>						
1.	Pembinaan Bintang Baru Sdn Bhd	Main contractor	3,079	7.0	Metal door frame, fire resistant door set, wooden door, metal door, ironmongery	16
2.	Sri Binaraya Sdn Bhd	Main contractor	1,860	4.2	Metal door frame, fire resistant door set, ironmongery	16
3.	MITC Engineering Sdn Bhd	Main contractor	1,371	3.1	Metal door frame, fire resistant door set	3
4.	Matrix Excelcon Sdn Bhd	Main contractor	1,241	2.8	Metal door frame, fire resistant door set	4
5.	Gamuda Trading Sdn Bhd	Building materials trading arm of property developer	986	2.2	Metal door frame, fire resistant door set, metal door	15
Total revenue			44,089			
<u>FYE 2020</u>						
1.	Pembinaan Bintang Baru Sdn Bhd	Main contractor	1,603	5.3	Metal door frame, fire resistant door set, wooden door, metal door, ironmongery	16
2.	Sri Binaraya Sdn Bhd	Main contractor	1,568	5.2	Metal door frame, fire resistant door set, ironmongery	16
3.	Eng Han Engineering Sdn Bhd	Main contractor	1,263	4.2	Metal door frame, fire resistant door set, ironmongery	17
4.	Matrix Excelcon Sdn Bhd	Main contractor	1,170	3.9	Metal door frame, fire resistant door set	4
5.	TME Builders Sdn Bhd	Main contractor	987	3.3	Metal door frame, fire resistant door set, ironmongery	4
Total revenue			29,977			

In the past 3 FYEs 2017 to 2019 and FPE 2020, the revenue contribution from our major customers were below 10% of our total sales. Sales to our major customers were mainly contributed by the sales of metal door frames and fire resistant door sets. We serve a wide network of industry players which include property developers and contractors.

Pembinaan Bintang Baru Sdn Bhd, Sri Binaraya Sdn Bhd and Matrix Excelcon Sdn Bhd were listed as our major customers continuously for the past 3 FYEs 2017 to 2019 and FPE 2020. As we sell our products to customers on a project basis, we may receive purchase orders for different property developments from a single customer. Further, the delivery of our products depends on the stages of construction works of our customers' property development projects. Generally, as construction for property developments take around 2 to 4 years to complete, our products are thus delivered progressively over the years of the construction timeframe. As such, our Group does not depend on any of our major customers.

7. BUSINESS OVERVIEW (*Cont'd*)

We do not enter into any agreement or contract with our customers.

7.19 MAJOR SUPPLIERS

Our top 5 major suppliers for the purchases of materials for the FYEs 2017 to 2019 and FPE 2020 are as follows:

No.	Name	Description/ Country	Purchase contribution		Materials sourced	Length of relationship Years
			RM'000	%		
<u>FYE 2017</u>						
1.	NS Bluescope Malaysia Sdn Bhd	Painted and coated steel products manufacturer / Malaysia	3,697	15.4	Steel coil	12
2.	Profitline Industries Sdn Bhd	Steel coil supplier / Malaysia	2,919	12.1	Steel coil	12
3.	Kyodo Steel Sdn Bhd	Steel service centre / Malaysia	2,901	12.1	Steel coil	7
4.	Viton Trading	Building materials supplier / Malaysia	2,865	11.9	Fire resistant door	6
5.	SLP Industries Sdn Bhd	Wooden door manufacturer / Malaysia	2,745	11.4	Wooden door	7
Total purchases			24,069			
<u>FYE 2018</u>						
1.	NS Bluescope Malaysia Sdn Bhd	Painted and coated steel products manufacturer / Malaysia	5,941	21.4	Steel coil	12
2.	SLP Industries Sdn Bhd	Wooden door manufacturer / Malaysia	3,203	11.5	Wooden door	7
3.	Sunvek Metal Sdn Bhd	Steel service centre / Malaysia	3,154	11.3	Steel coil	3
4.	Viton Trading	Building materials supplier / Malaysia	2,449	8.8	Fire resistant door	6
5.	Profitline Industries Sdn Bhd	Steel service centre / Malaysia	2,065	7.4	Steel coil	12
Total purchases			27,809			

7. BUSINESS OVERVIEW (Cont'd)

No.	Name	Description/ Country	Purchase contribution		Materials sourced	Length of relationship Years
			RM'000	%		
<u>FYE 2019</u>						
1.	NS Bluescope Malaysia Sdn Bhd	Painted and coated steel products manufacturer / Malaysia	4,629	18.3	Steel coil	12
2.	Sunvek Metal Sdn Bhd	Steel service centre / Malaysia	3,737	14.8	Steel coil	3
3.	SLP Industries Sdn Bhd	Wooden door manufacturer / Malaysia	3,574	14.2	Wooden door	7
4.	Kyodo Steel Sdn Bhd	Steel service centre / Malaysia	3,168	12.5	Steel coil	7
5.	Hengxin Decoration Hardware Co., Limited (恒新装饰五金有限公司)	Hinges manufacturer / China	1,578	6.2	Hinges	5
Total purchases			25,254			
<u>FPE 2020</u>						
1.	NS Bluescope Malaysia Sdn Bhd	Painted and coated steel products manufacturer / Malaysia	3,413	18.6	Steel coil	12
2.	SLP Industries Sdn Bhd	Wooden door manufacturer / Malaysia	2,429	13.3	Wooden door	7
3.	Kyodo Steel Sdn Bhd	Steel service centre / Malaysia	2,299	12.5	Steel coil	7
4.	Hailing Construction Group Co., Ltd (苏州爱孚海龄新材料有限公司)	Fire resistant board manufacturer / China	1,062	5.8	Fire resistant board	2
5.	Sunvek Metal Sdn Bhd	Steel service centre / Malaysia	1,001	5.5	Steel coil	3
Total purchases			18,337			

For the FYEs 2017 to 2019 and FPE 2020, our purchases from NS Bluescope Malaysia Sdn Bhd ranged from 15.4% to 21.4% as they are the brand owner for the Zinalume® brand of steel coils coated using a combination of aluminium-zinc alloy. NS Bluescope Malaysia Sdn Bhd has been our major supplier for the past 12 years. Despite NS Bluescope Malaysia Sdn Bhd being the brand owner for the Zinalume® brand of steel coil, we are not dependent on it for the supply of aluminium-zinc alloy coated steel coil. We are able to source other steel coils which are coated with similar combination of aluminium-zinc alloy from other suppliers. However, we prefer to source the aluminium-zinc alloy steel coil (i.e. Zinalume®) from NS Bluescope Malaysia Sdn Bhd as they are located near to us in Kapar, Klang and as such, we have a shorter lead time in terms of our purchasing needs.

For our purchases of other electro-galvanised steel coils, we will be able to purchase from any suppliers who stock these electro-galvanised steel coils that meet our requirements in terms of pricing, volume and quality.

7. BUSINESS OVERVIEW (Cont'd)

SLP Industries Sdn Bhd has been one of our major suppliers which accounted for 11.4% to 14.2% of our total purchases over the past 3 FYEs 2017 to 2019 and FPE 2020. SLP Industries Sdn Bhd is one of our suppliers for our wooden doors.

We are not dependent on any of these suppliers as we are able to readily source these materials from alternative suppliers.

7.20 EMPLOYEES

As at the LPD, we have a total workforce of 67 employees, of which all are permanent employees. The following depicts the breakdown of our employees in our Group:

	No. of employees
Executive Directors	2
Key senior management	5
Accounts and administration	8
Sales and marketing	7
Operations management	13
Production	33
Total	67

As at the LPD, local employees accounted for approximately 80.6% of total workforce while the remaining 19.4% were foreign workers. As at the LPD, we have 13 foreign workers. Our foreign workers are involved in the manufacturing of metal door frames and fire resistant doors.

None of our employees belong to any labour union. During the FYEs 2017 to 2019, FPE 2020 and up to the LPD, there is no major industrial dispute pertaining to our employees.

We have in place a management succession plan to identify key competencies and requirements of managers and higher ranking personnel, to take a positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed our senior management in the future.

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8. IMR REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBBM, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 7 September 2020

The Board of Directors

Econframe Berhad
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Dear Sirs/ Madams,

Independent Market Research Report on the Metal Door Frame and Door Industry in Malaysia (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the listing of Econframe Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

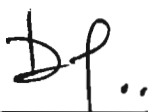
The objective of this IMR Report is to provide an independent view of the industry and market(s) in which Econframe Berhad and its subsidiaries (“Econframe”) operate and to offer a clear understanding of the industry and market dynamics. As Econframe is principally involved in the provision of total door system solution comprising metal door frames, fire resistant door sets, doors (i.e. wooden and metal) and ironmongery, the scope of work for this IMR Report will thus address the following areas:

- (i) The metal door frame and door industry in Malaysia, which is the industry in which Econframe Berhad operates;
- (ii) The drivers, risks and challenges; and
- (iii) The competitive landscape.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balance view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held 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 mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

8. IMR REPORT (Cont'd)

SMITH ZANDER

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The research for this IMR Report was completed on 6 September 2020.

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has 22 years of experience in market research and strategy consulting, including over 17 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.