

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF YEW LEE PACIFIC GROUP BERHAD (“YEW LEE” OR THE “COMPANY”) DATED 17 MAY 2022 (“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 Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

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

Close of Application

Applications will be accepted from 10.00 a.m. on 17 May 2022 and will close at 5.00 p.m. on 25 May 2022. In the event the Closing Date is extended, Yew Lee 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.



YEW LEE PACIFIC GROUP BERHAD

Registration No. 202001036243 (1392564-D)
(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 133,108,900 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 26,621,800 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 15,973,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES;
- 23,959,600 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 66,554,500 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 26,621,800 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
(197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser



ECO ASIA CAPITAL ADVISORY SDN BHD
(201801022562 (1284581-H))

PROSPECTUS

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 145.

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 OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

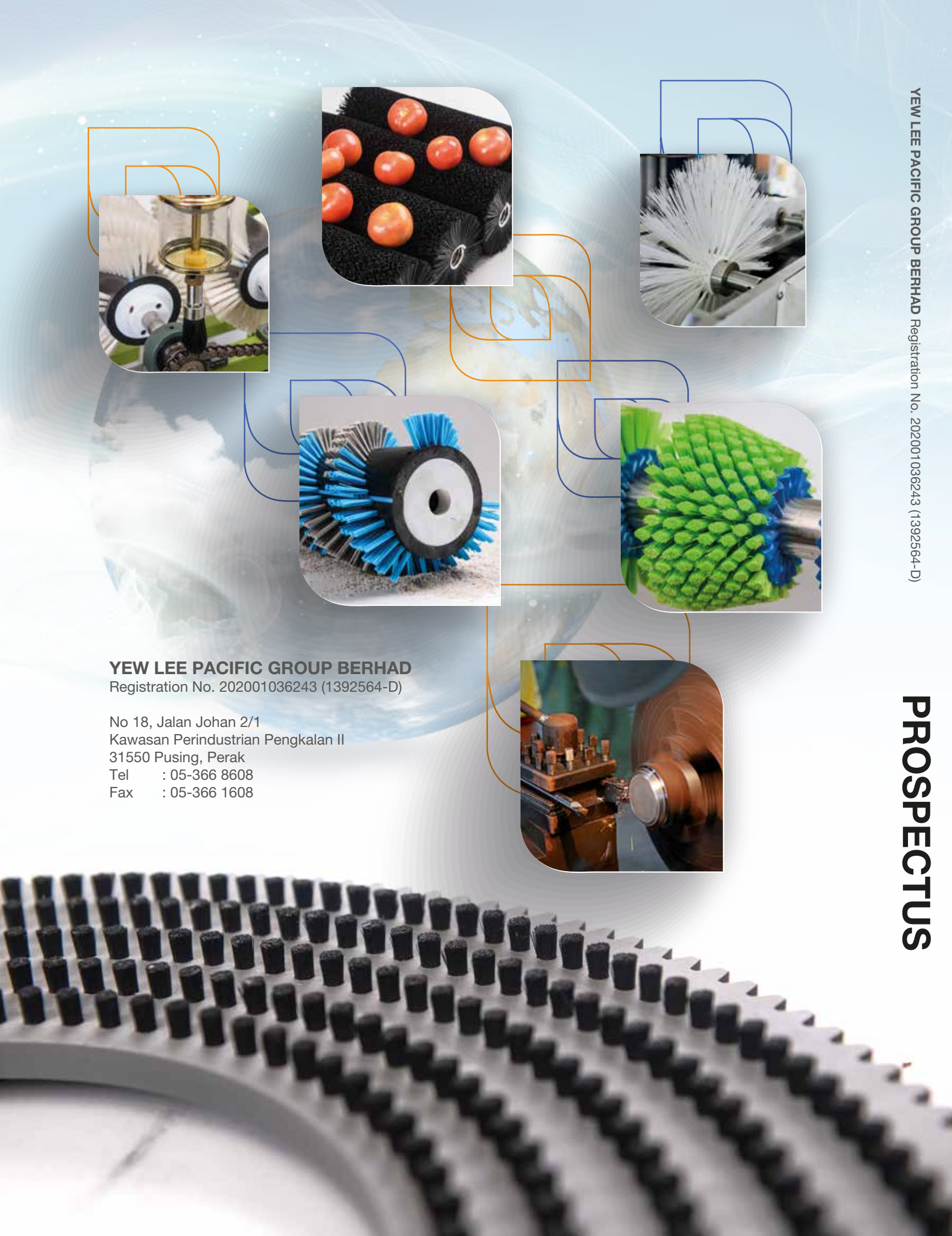
THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SC UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

This Prospectus is dated 17 May 2022.

YEW LEE PACIFIC GROUP BERHAD

Registration No. 202001036243 (1392564-D)

No 18, Jalan Johan 2/1
Kawasan Perindustrian Pengkalan II
31550 Pusing, Perak
Tel : 05-366 8608
Fax : 05-366 1608



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 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.

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 are offered to the public on the premise of 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 13 January 2022. Our admission to the Official List 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 valuation utilised for the purpose of our Listing (as defined herein) should not be construed as an endorsement by Bursa Securities, on the value of the subject assets.

The Securities Commission Malaysia ("**SC**") has on 7 March 2022 approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of the SC based on the audited combined financial statements for the financial year ended 31 December 2021. 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 advisers 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 provided 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 websites 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	17 May 2022
Closing Date / Closing of Application	25 May 2022
Balloting of Application	27 May 2022
Allotment of IPO Shares to successful applicants	3 June 2022
Date of Listing	7 June 2022

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 "Yew Lee" and "Company" in this Prospectus are to Yew Lee Pacific Group Berhad (202001036243 (1392564-D)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries and associate company 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 and associate company. 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 our Management. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by our IMR (as defined herein). 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:

- (a) demand for our products and services;
- (b) our business strategies;
- (c) our future plans;
- (d) our future financial position such as net assets and gearing positions;
- (e) our future earnings, cash flows and liquidity; and
- (f) 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:

- (a) the ongoing COVID-19 pandemic and possible similar future outbreaks;
- (b) the economic, political and investment environment in Malaysia and globally; and
- (c) 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 8 – "Risk Factors" and Section 11 – "Financial Information". We cannot give any assurances 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.

The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

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:

Yew Lee or Company	: Yew Lee Pacific Group Berhad (202001036243 (1392564-D))
Yew Lee Group or Group	: Yew Lee and its subsidiaries and associate company, collectively
YLPH	: Yew Lee Pacific Holding Sdn Bhd (200101028017 (563775-M))
YLPM	: Yew Lee Pacific Manufacturer Sdn Bhd (200001030174 (532781-D))
Yew Lee Thailand	: Yew Lee (Thailand) Co. Ltd (0905562005524)
Yew Lee Indonesia	: PT Yew Lee Indonesia (9120408921129)

GENERAL:

ACE Market	: ACE Market of Bursa Securities
Act	: Companies Act, 2016 as amended from time to time and any re-enactment thereof
Acquisition of YLPH	: Acquisition by Yew Lee of the entire equity interest of YLPH from Ang Lee Leong, Chee Wai Ying and Ang Lee Seng for a total purchase consideration of RM5,648,199.80 which was wholly satisfied by the issuance of 71,496,200 new Yew Lee Shares at an issue price of RM0.079 each, which was completed on 18 January 2022
Acquisition of YLPM	: Acquisition by Yew Lee of the entire equity interest of YLPM from Ang Lee Leong, Chee Wai Ying and Ang Lee Seng for a total purchase consideration of RM25,898,601.60 which was wholly satisfied by the issuance of 327,830,400 new Yew Lee Shares at an issue price of RM0.079 each, which was completed on 18 January 2022
Acquisitions	: Collectively, Acquisition of YLPH and Acquisition of YLPM
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 Yew Lee

DEFINITIONS (cont'd)

Bursa Depository or Depository	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
BSC	: Business Systems Certification Pty Ltd, an international certification body for management system
CAGR	: Compound annual growth rate
Careplus Group	: Careplus Group Berhad and its subsidiaries, collectively
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 the last date for acceptance and receipt of Application
CMCO	: Conditional MCO
CMSA	: Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
Constitution	: Constitution of our Company
COVID-19	: Coronavirus disease 2019, an infectious disease which affects the respiratory system, and it is a global pandemic
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
EBIT	: Earnings before interest and tax
EBITDA	: Earnings before interest, tax, depreciation and amortisation
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)
EPS	: Earnings per share
Festo	: Festo Sdn Bhd (197801000546 (35696-D))
FYE(s)	: Financial years ended/ending 31 December, as the case may be

DEFINITIONS (cont'd)

GP	: Gross profit
Hartalega Group	: Hartalega Holdings Berhad and its subsidiaries, collectively
IFRS	: International Financial Reporting Standards
IMR or Protégé	: Protégé Associates Sdn Bhd (200401037256 (675767-H)), our Independent Market Researcher
IMR Report	: Independent Market Research Report issued by Protégé titled "Strategic Analysis of the Industrial Brush Industry in Malaysia" dated 18 April 2022
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
Ipoh Sales Office	: Our sales and marketing office located at No. 17, Jalan Bijeh Timah, 30000 Ipoh, Perak
Ipoh Warehouse	: Our warehouse and storage space located at No. 48, Jalan Pasar, 30000 Ipoh, Perak
IPO Price	: Issue/offer price of RM0.28 per Issue/Offer Share
IPO Share(s)	: The Issue Share(s) and Offer Share(s), collectively
Issuing House	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
Issue Share(s)	: New Share(s) to be issued under the Public Issue
ISO	: International Organisation for Standardisation
Klang Sales Office	: Our sales and marketing office located at No. 29, Jalan Mahkota 1/KU2, Mutiara Bukit Raja 2, 41050 Klang, Selangor
Listing	: Listing of and quotation for our entire enlarged share capital of RM68,817,393.40 comprising 532,435,600 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	: 18 April 2022, being the latest practicable date for ascertaining certain information contained in this Prospectus
M&A Securities	: M&A Securities Sdn Bhd (197301001503 (15017-H))

DEFINITIONS (cont'd)

Malaysian Public	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Manufacturing Facilities	:	Our headquarters, manufacturing and warehouse facilities located at No. 18, Jalan Johan 2/1, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak
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
MCO	:	Movement Control Order
MFRS	:	Malaysian Financial Reporting Standards
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of International Trade and Industry, Malaysia
New Office	:	Our new sales office cum warehouse facility to be located at a three-storey bungalow shoptlot with a total built-up area of approximately 8,489 sq ft to be constructed at a commercial development area known as "Marq Bizpark @ North Klang" which is held under HS(D) 161886 PT 80866, Mukim Kapar, Daerah Klang, Negeri Selangor
mm	:	Millimetre
MOH	:	Ministry of Health, Malaysia
MT	:	Metric tonne
NA	:	Net assets
NBV	:	Net book value
Offer of Sale	:	Offer for sale of 26,621,800 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 Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 15.5
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
PDSB	:	Peridot Development Sdn Bhd (201101008768 (936907-D))
Pink Form Allocations	:	Allocation of 15,973,000 Issue Shares to our eligible Directors and employees, which forms part of our Public Issue
Promoters	:	Collectively, Ang Lee Leong, Ang Lee Seng and Chee Wai Ying

DEFINITIONS (*cont'd*)

Prospectus	: This prospectus dated 17 May 2022 in relation to our IPO
Public Issue	: Public issue of 133,108,900 Issue Shares at the IPO Price
RMCO	: Recovery MCO
ROC	: Registrar of Companies
SC	: Securities Commission Malaysia
Selling Shareholders	: Collectively, Ang Lee Leong, Ang Lee Seng and Chee Wai Ying, who are undertaking the Offer for Sale
Share(s) or Yew Lee Share(s)	: Ordinary share(s) in Yew Lee
SICDA or Depository Act	: Securities Industry (Central Depositories) Act, 1991 as amended from time to time
SOCSSO	: Social Security Organisation, Malaysia
SOP(s)	: Standard operating procedures(s)
sq ft	: Square feet
sq m	: Square meters
Top Glove	: Top Glove Corporation Bhd (199801018294 (474423-X))
Underwriting Agreement	: Underwriting agreement dated 11 April 2022 entered into between our Company and M&A Securities for the purpose of our IPO
Vendors	: Collectively, Ang Lee Leong, Ang Lee Seng and Chee Wai Ying
UK	: United Kingdom
USA	: United States of America
YLMIS	: Yew Lee Machinery & Industrial Supplies (199203058622 (IP0074937-T))

CURRENCIES:

EUR	: Euro
IDR	: Indonesia Rupiah
RM and sen	: Ringgit Malaysia and sen, respectively
SGD	: Singapore Dollar
THB	: Thailand Baht
USD	: United States Dollars

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:

3D	:	Three-dimensional or an object having three dimensions of length, width and height
Bristles	:	A short stiff coarse hair or filament (fibre) used in the making of brushes
CIF	:	Cost, insurance and freight, refers to a shipping term where seller pay charges covering the cost, insurance and freight for a customer order while cargo is in transits
CNC	:	Computerised numerical control, the use of information technology to convert a design produced by computer-aided design into numbers. The numbers can be considered as coordinates of a graph and they control the movement of the cutter to cut and shape the material
Design manufacturability	:	Refers to the process of designing of product in such a way that the product can be effectively manufactured given its design, cost and raw materials requirements
E&E	:	Electrical and electronics, a type of engineering science that deals with the technology of electricity, especially the design and application of circuitry and equipment for power generation and distribution, machine control and communications
ERP system	:	Enterprise resource planning system, a type of business management software that manages and integrates day-to-day business processes through a single system
Filament	:	A form of reinforcement used in fibre-reinforced plastic, comprising a threadlike object or fibre commonly used in reinforcing cylindrical products
FOB	:	Freight on board or free on board, is a shipping term in which liability, costs and ownership of shipped goods is transferred from a seller to the buyer
HSE	:	Health, safety and environmental, refers to a set of rules and regulations to identify any potential workplace hazards based on health protection, occupational safety and environmental management in preventing workplace incidents such as injuries, illnesses, and harmful environmental releases
Industrial brush	:	Bristled tools that can be hand-held or attached to a manufacturing machinery or equipment used for heavy-duty scrubbing or surface treatment such as polishing or cleaning in various end-user industries
Industrial hardware	:	Refers to equipment or components for a specific capability or function for use within industrial settings

TECHNICAL GLOSSARY (*cont'd*)

Machinery parts	: Refers to elementary components of a machine which consist of 3 basic types including structural components, mechanisms and control components
Monofilament materials	: A type of synthetic fibre made from different materials including nylon, PT, PET, PP, antistatic and abrasive nylon, used in making brushes
Nylon	: A synthetic thermoplastic linear polyamide commonly used to make a variety of different types of apparel and consumer goods
PT	: Polybutylene terephthalate, a thermoplastic crystalline engineering polymer used for production of moulded parts, electrical and small machine parts
PET	: Polyethylene terephthalate, a general-purpose thermoplastic polymer that is widely used in the production of plastic bottles and containers for food, fabrics, films, moulded parts for automotive and electronics
Plastic resins	: Mixtures of compounds that are applied to fibre-reinforced plastic materials for the manufacturing of fibre-reinforced plastic products
PP	: Polypropylene, a thermoplastic polymer used in a wide variety of applications including moulded parts, electrical insulation, packaging, and fibres for wearing apparels
PVC	: Polyvinyl chloride (also known as vinyl) is a thermoplastic polymer widely used in construction for pipe and in profile applications such as doors and windows which have relatively higher resistance to chemicals as compared to PP
QA	: Quality assurance, an act or process focused on providing confidence that quality requirements are being met or products developed are fit for use
QC	: Quality control, a subset of QA that focuses more on the inspection aspect of quality management to ensure that a manufactured product or performed service meets the requirements of the customer
QMS	: Quality management system, a set of formalised business processes focused on consistently achieving quality policies and objectives including meeting customer requirements
Rubber gloves	: Rubber gloves are commonly made from latex, nitrile or vinyl, and can be disposable or reusable depending on the intended applications
SolidWorks	: A 3D computer-aided design software that is used for planning, visual ideation, modelling, feasibility assessment, prototyping, and project management to develop sophisticated 3D models and simulations

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Mahdzir bin Othman	Independent Non-Executive Chairman	No. 19, Jalan PJU 7/28 Mutiara Damansara 47810 Petaling Jaya Selangor	Malaysian/ Director	Male
Ang Lee Leong	Managing Director	No 1, Jalan Kledang Permai 15 Taman Kledang Permai 31450 Menglembu Perak	Malaysian/ Director	Male
Chee Wai Ying	Executive Director	No 1, Jalan Kledang Permai 15 Taman Kledang Permai 31450 Menglembu Perak	Malaysian/ Director	Female
Ang Lee Seng	Executive Director	59, Dataran Rapat Baru 22 Taman Taufik 31350 Ipoh Perak	Malaysian/ Director	Male
Ang Poh Yee	Executive Director cum Chief Operating Officer	No 1, Jalan Kledang Permai 15 Taman Kledang Permai 31450 Menglembu Perak	Malaysian/ Director	Female
Lim See Tow	Independent Non-Executive Director	No 341, Jalan 12 Pasir Pinji 31650 Ipoh Perak	Malaysian/ Director	Female
Andrew Yaw Mun Keng	Independent Non-Executive Director	C-08-5, 9 Bukit Utama Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor	Malaysian/ Director	Male
Andrea Huong Jia Mei	Independent Non-Executive Director	546, Jalan 7 Taman Ampang Utama 68000 Ampang Selangor	Malaysian/ Director	Female

1. CORPORATE DIRECTORY (cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Lim See Tow	Chairperson	Independent Non-Executive Director
Andrew Yaw Mun Keng	Member	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Andrea Huong Jia Mei	Chairperson	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director
Andrew Yaw Mun Keng	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Andrew Yaw Mun Keng	Chairperson	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director

COMPANY SECRETARY

: **Tan Tong Lang (SSM PC No. 202208000250) (MAICSA 7045482)**
(Associate of the Malaysian Institute of Chartered Secretaries and Administrators)

Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Selangor

Telephone number: 03-7890 0638

REGISTERED OFFICE

: Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Selangor

Telephone number: 03-7890 0638
Fax number: 03-7890 1032

HEAD OFFICE

: No 18, Jalan Johan 2/1
Kawasan Perindustrian Pengkalan II
31550 Pusing
Perak

Telephone number: 05-366 8608
Fax number: 05-366 1608

1. CORPORATE DIRECTORY (cont'd)

- EMAIL ADDRESS AND WEBSITE** : Email address: corporate@yewlee.com.my
Website: <http://www.yewlee.com.my>
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **M&A Securities Sdn Bhd (197301001503 (15017-H))**

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

Telephone number: 03-2284 2911
- FINANCIAL ADVISER** : **Eco Asia Capital Advisory Sdn Bhd (201801022562 (1284581-H))**

Lot 1904, 19th Floor
Tower 1, Faber Towers
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur

Telephone number: 03-7971 1822

Managing Director's name: Khoo Chee Siang
(Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants)
MIA membership number: CA 21553
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : **Ecovis Malaysia PLT**
Registration number: 201404001750
LLP number: LLP0003185-LCA
Firm number: AF 001825

9-3, Jalan 109F
Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur

Telephone number: 03-7981 1799

Partner's name: Yong Hui Nee
Approved number: 03283/09/2022(J)
(Chartered Accountant, Member of the Malaysian Institute of Accountants and Member of the Malaysian Institute of Certified Public Accountants)
- SOLICITORS FOR OUR LISTING** : **Teh & Lee**

A-3-3 & A-3-4
Northpoint Offices
Mid Valley City
1, Medan Syed Putra Utara
59200 Kuala Lumpur
Telephone number: 03-2283 2800

1. CORPORATE DIRECTORY (cont'd)

ISSUING HOUSE AND SHARE REGISTRAR : **Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))**

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: 03-2783 9299

INDEPENDENT MARKET RESEARCHER : **Protégé Associates Sdn Bhd (200401037256 (675767-H))**

Suite C-09-12, Plaza Mont' Kiara
2, Jalan Kiara
Mont' Kiara
50480 Kuala Lumpur

Telephone number: 03-6201 9301

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

LISTING SOUGHT : ACE Market

SHARIAH STATUS : Approved by the Shariah Advisory Council of the SC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 13 January 2022, 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
(a)	Submit the following information with respect on the moratorium on the shareholdings of the promoter to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares; 	Complied
(b)	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
(c)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(d)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Yew Lee on the first day of Listing;	To be complied
(e)	In relation to the Public Issue to be undertaken by Yew Lee, to announce at least 2 market days prior to the listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche; and (iv) Disclosure of places who become substantial shareholders of Yew Lee arising from the public offering, if any. 	To be complied
(f)	Yew Lee or M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with terms and conditions of Bursa Securities' approval upon the admission of Yew Lee to the Official List of the ACE Market.	To be complied

2.1.2 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.

2. APPROVALS AND CONDITIONS (cont'd)

The SC had, vide its letter dated 7 March 2022, approved the resultant equity structure of Yew Lee under the Bumiputera 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
(a)	Yew Lee allocating shares equivalent to 12.5% of its enlarged number of issued shares at the point of Listing to Bumiputera investors to be approved by the MITI; and	Complied
(b)	Yew Lee is to make available at least 50% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	Complied

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

Category of shareholders	As at 31 August 2021		After our Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera				
- Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 66,554,500	12.5
- Bumiputera public investors via balloting	-	-	⁽¹⁾ 13,310,900	2.5
- Others	-	-	⁽²⁾ 600,000	0.1
Total Bumiputera	-	-	80,465,400	15.1
Non-Bumiputera	100	100.0	451,970,200	84.9
Malaysian	100	100.0	532,435,600	100.0
Foreigners	-	-	-	-
Total	100	100.0	532,435,600	100.0

Notes:

- (1) Based on the assumption that the shares allocated to Bumiputera investors approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.
- (2) Based on the assumption that the shares allocated to Mahdzir bin Othman (Independent Non-Executive Chairman), under the Pink Form Allocations shall be fully subscribed.

The Shariah Advisory Council of the SC had, vide its letter dated 26 April 2022 classified our Shares as shariah-compliant based on the audited combined financial statements for the FYE 2021.

2.1.3 Approval from MITI

The MITI had, vide its letter dated 4 January 2022, taken note and has no objection to our Listing.

2.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Promoters. The moratorium shall apply to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market.

2. APPROVALS AND CONDITIONS (cont'd)

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

Promoters	⁽¹⁾ No. of Shares	⁽²⁾ %
Ang Lee Leong	284,817,984	53.4
Chee Wai Ying	43,943,458	8.3
Ang Lee Seng	43,943,458	8.3
Total	372,704,900	70.0

Notes:

- (1) After Offer for Sale.
(2) Based on the enlarged share capital of 532,435,600 Shares after our IPO.

The moratorium has been fully accepted by our Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under the moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under the moratorium held by our Promoters to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

In addition, Ang Poh Yee (our Executive Director cum Chief Operating Officer) has also provided an undertaking that she will not sell, transfer or assign any of her shareholdings in our Company (arising from her allocation of Shares under the Pink Form Allocations) for a period of 6 months from the date of our admission to the ACE Market.

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3. 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.

3.1 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⁾	26,621,800	5.0
Eligible Directors and employees	15,973,000	3.0
Private placement to selected investors	23,959,600	4.5
Private placement to Bumiputera investors approved by MITI	66,554,500	12.5
Offer for sale		
Private placement to selected investors	26,621,800	5.0
Enlarged number of Shares upon Listing	532,435,600	
IPO Price per Share	RM0.28	
Market capitalisation (calculated based on the IPO Price and enlarged number of Shares upon Listing)	RM149,081,968	

Notes:

- (1) Based on our enlarged share capital of 532,435,600 Shares after our IPO.
- (2) 13,310,900 Shares will be set aside strictly for Bumiputera public investors via public balloting.

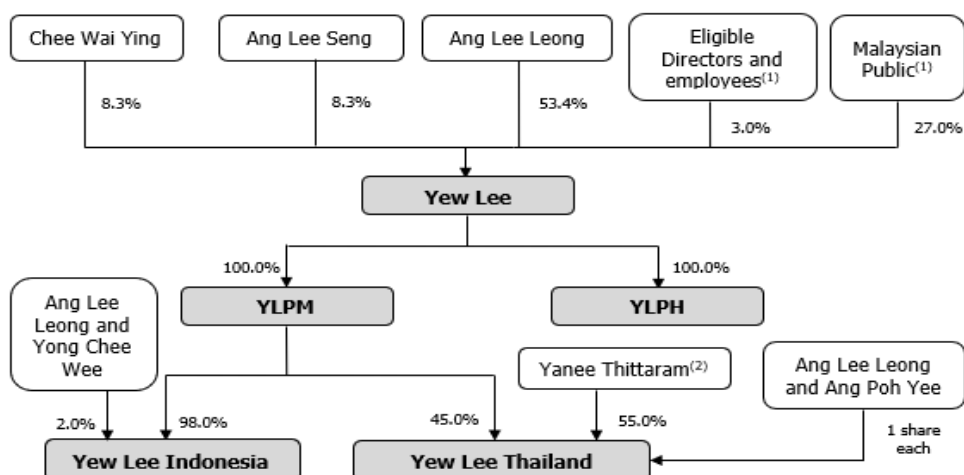
In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters. Further details of the moratorium are set out in Section 2.2. Save for the moratorium imposed on the Shares held by our Promoters, there is no other moratorium imposed on our Shares.

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

3.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 10 November 2020 as a private limited company under the name of Yew Lee Pacific Group Sdn Bhd. On 25 August 2021, we converted into a public limited company under our present name.

Our group structure after our IPO is as follows:

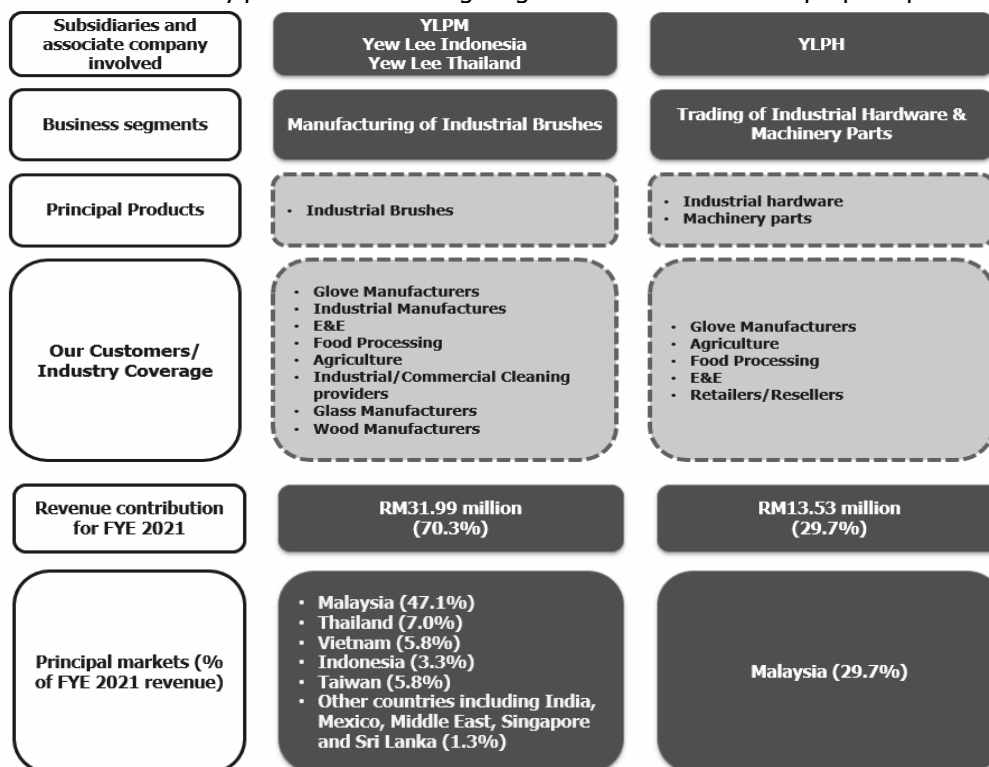


3. PROSPECTUS SUMMARY (cont'd)

Notes:

- (1) Assuming that our eligible Directors and employees will fully subscribe for their entitlement under the Pink Form Allocations and the Issue Shares made available for application by Malaysian Public will be fully subscribed.
- (2) Yanee Thittaram is the local investor of Yew Lee Thailand and is responsible for Yew Lee Thailand's business development activities in the industrial brush business. Yanee Thittaram is not an employee and is not a related party to our Group.

We are an investment holding company. Through our subsidiaries and associate company, we are principally involved in the manufacturing of industrial brushes as well as trading of industrial hardware and machinery parts. The following diagram illustrates our Group's principal activities:



Note:

YLPM is involved in the manufacturing and sales of industrial brushes. Yew Lee Thailand and Yew Lee Indonesia are only involved in the sale of industrial brushes manufactured by YLPM.

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

3.3 COMPETITIVE STRENGTHS

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

- (a) We have been manufacturing custom-made industrial brushes since 2009 and have 13 years of experience in manufacturing custom-made industrial brushes. We presently manufacture a total of 6 types of custom-made industrial brushes, which are customised based on varying manufacturing requirements, usage and applications by our customers. We have the ability to manufacture custom-made industrial brushes to cater for customer's varying manufacturing needs and requirements. We are able to manufacture custom-made industrial brushes by understanding and assessing the manufacturing needs of our customers which require the right customised industrial brush for their manufacturing and assembly lines. Our ability in customising and manufacturing these custom-made industrial brushes are backed by our in-house manufacturing capabilities and technical team. We are able to customise nearly every aspect of an industrial brush, including the brush length, bristle length, stiffness, density, coarseness and fill materials for differing manufacturing requirements.

3. PROSPECTUS SUMMARY (cont'd)

- (b) We are well-equipped with a fleet of machineries and equipment, enabling us to enhance our manufacturing capabilities and production efficiency. Our manufacturing facility is equipped with machineries and equipment that facilitate most of the manufacturing processes of our industrial brushes (such as cutting of filament hanks as well as trimming and flagging of bristles). Our ability to provide different types of industrial brushes comes from our continuous investments in advanced machineries and equipment such as semi-automated CNC continuous cycle drilling and filling machineries, CNC lathe machine, CNC milling machine, trimming and flagging machine and bristle cutting machines. This has allowed us to improve our overall manufacturing capabilities and efficiency in terms of manufacturing outputs of industrial brushes and quality consistency whilst enabling us to manufacture customised industrial brushes based on our customers' specific manufacturing needs and requirements. Our improved manufacturing capabilities and efficiency has allowed us to increase our overall industrial brushes manufacturing output from 1.57 million pieces of industrial brushes in FYE 2018 to 2.37 million pieces of industrial brushes in FYE 2021.
- (c) We have an experienced Executive Directors and management team. Our Group is managed by our Managing Director, Executive Directors and management team, whom possess in-depth knowledge, expertise and experience in the manufacturing and trading industry. Our Managing Director and Executive Director, namely Ang Lee Leong and Chee Wai Ying have more than 36 and 21 years of experience in the industrial hardware and industrial brushes business, respectively. Our Executive Director, Ang Lee Seng has more than 29 years of experience in the industrial hardware business whilst our Executive Director cum Chief Operation Officer, Ang Poh Yee has 2 years of experience in the industrial brushes business.
- (d) We have established and maintained long relationships with both our customers and suppliers which have enabled us to remain competitive in the industrial brush industry. As at the LPD, we have established between 2 and 20 years of business relationships with our major customers as well as between 7 and 21 years with our major suppliers. Our rubber gloves manufacturing industry include Top Glove, Hartalega Group, Latexx Manufacturing Sdn Bhd, Careplus Group, Riverstone Holdings Limited, VRG Khai Hoan Joint Stock Company and Precious Mountain Enterprise Corporation Taiwan Branch. The rubber gloves manufacturing industry has been our major revenue contributor, contributing 77.4%, 78.7%, 88.0% and 85.4% of our Group's total revenue for the FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. We also have a diversified customer base from other industries including industrial manufacturing, E&E contract manufacturers, food processing, glass making and wooden manufacturing as well as industrial and commercial cleaning. In addition, we have maintained our good working relationship with our suppliers to ensure timely delivery of raw materials and supplies.
- (e) We have a comprehensive range of products. Our industrial brushes comprise roller brush, lath brush, circular brush, disc brush, spiral brush, forklift sweeper, twist brush, strip brush, oil brush, sweeping and cleaning brushes, custom-made brushes as well as household brushes. We also distribute a wide range of industrial hardware and machinery parts (including PVC valve fittings, stainless steel valve fittings, solenoid valve, tiger valves, push fitting, pneumatic drive, PUN tubing, ornamental pipes, PVC pipes and schedule pipes) which complements our manufacturing of industrial brushes business segment to support our customers with their manufacturing or production hardware needs.
- (f) We are committed to stringent quality assurance. We place emphasis on product quality and are committed to quality consistency of our industrial brushes that meet the manufacturing requirements and needs of our customers. Our QMS efforts in quality control are demonstrated where we have been assessed and accredited with ISO 9001:2015 by BSC with the scope of "manufacturing of consumer and industrial brushes".

For further details, please refer to Section 6.10.

3. PROSPECTUS SUMMARY *(cont'd)*

3.4 FUTURE PLANS AND 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 future plans and business strategies over a period of 12 to 36 months from our Listing:

- (a) According to the IMR Report, we are one of the key industry players in the industrial brush industry in Malaysia, with an estimated market share of 12.4% of the total size of the industrial brush industry in Malaysia of RM254.5 million in 2021, based on our Group's revenue from the manufacturing of industrial brushes segment of RM31.6 million during the FYE 2021. Our Group aims to immediately commence our future plans to further expand our range of industrial brushes by developing customisable industrial brushes with features, design and sizes that caters to the specific manufacturing requirements and needs of other end-customers such as the quarry sector as well as semiconductor industry and glass making sectors. This will allow us to further diversify our customer base whilst reducing our dependency on the rubber gloves manufacturing industry, as well as enabling us to further improve and expand our existing product offerings. As such, we have allocated RM3.60 million from our IPO proceeds to make advance purchases of monofilament materials used in the manufacturing of industrial brushes (such as nylon, PT, PET, PP, antistatic and abrasive nylon) to support the increase in our manufacturing activities in tandem with the increase in demand for our range of industrial brushes.
- (b) In order to reduce our dependency on manual labour, we plan to increase automation levels of our manufacturing process by acquiring additional automated machineries and equipment (such as semi-automated CNC continuous cycle drilling and filling machines, CNC lathe machine, CNC milling machine, trimming and flagging machine, bristle cutting machines and plastic injection moulding machines). In addition, we intend to acquire additional manufacturing machineries and equipment (such as strip brush/spiral brush machines) to reduce the use of manual labour for the manufacturing of these range of brushes. The use of automated manufacturing machineries and equipment will enable us to increase the automation of our manufacturing process and improve operating capacity of the manufacturing process for our industrial brushes by approximately 1.18 million pieces of industrial brushes per annum, measured based on the increase in manufacturing lines from 14 CNC lines to 18 CNC lines. As such, we have allocated RM10.90 million or 29.2% of the proceeds from our Public Issue for the acquisition of additional manufacturing machineries and equipment, as set out in Section 4.9.
- (c) We intend to expand our market share and presence in the trading of industrial hardware and machinery parts segment in other parts of Peninsular Malaysia, especially in the central and southern regions of Peninsular Malaysia, within 36 months from the date of our Listing. Our trading segment continues to play an important role in our business as it complements our manufacturing of industrial brushes business segment by supporting our customers with their manufacturing or production hardware needs. As such, we intend to undertake the renovation of our New Office, which is expected to be completed by 2023, which shall house YLPH's sales office and warehouse space and act as a platform to facilitate any pre-sales enquiries and activities associated with our range of industrial hardware and machinery parts that we trade and distribute. The warehouse space at the New Office will allow us to stock-up a comprehensive range of industrial hardware and machinery parts, thus reducing the delivery time to our customers. A shorter time to delivery is critical to ensure that our customers' manufacturing activities and operations are not disrupted. To achieve this, we have allocated the sum of RM1.80 million from our IPO proceeds to undertake the renovation of the New Office.
- (d) In 2019, we have expanded our presence in international markets, particularly Thailand and Indonesia via Yew Lee Thailand and Yew Lee Indonesia to further expand our supply of industrial brushes, industrial hardware and machinery parts to these markets. In order to support our overseas expansion plans, we plan to expand our sales and administrative team who will be responsible to carry out sales and marketing activities in these markets. We expect to incur expenses of approximately RM0.50 million per annum for the payment

3. PROSPECTUS SUMMARY (cont'd)

of staff salaries of our new sales and administrative team as well as marketing expenses in both Thailand and Indonesia. These business expansion expenses shall be funded via our internally generated funds in these countries.

For further details, please refer to Section 6.25.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 8. Some of the more important risk factors are summarised below:

- (a) We may be adversely affected by the COVID-19 pandemic and possible similar future outbreaks. Any adverse developments in relation to the COVID-19 pandemic may lead to stricter conditions, compliance requirements and SOPs being imposed by relevant authorities which may result in suspension of manufacturing operations and higher cost of operations which will adversely affect our Group's financial performance;
- (b) We are dependent on the major customers from the rubber glove manufacturing industry, in particular Top Glove which contributed 32.1% to our total revenue in FYE 2021. Our other major customers from the rubber gloves manufacturing industry include Hartalega Group, Latexx Manufacturing Sdn Bhd, Careplus Group, Riverstone Holdings Limited, VRG Khai Hoan Joint Stock Company and Precious Mountain Enterprise Corporation Taiwan Branch. Our financial performance is likely to move in tandem with the performance of the rubber glove manufacturing industry. Any loss of these major customers and our inability to replace these customers with new customers or with additional purchase orders from existing or new customers in a timely manner could result in a loss of revenue and will have an adverse impact on our financial performance. In addition, a decline in the global and domestic demand for rubber gloves by end-users as well as reduction in prices of rubber gloves may lead to a decrease in the level of manufacturing activities of rubber gloves manufacturing, which will eventually have an adverse impact on our financial performance;
- (c) During FYE 2020, our Group recorded a substantial increase of 43.7% in its revenue levels and 99.9% increase in its overall PAT levels as compared to FYE 2019, mainly due to higher sales to the rubber glove manufacturing industry as a result of the COVID-19 pandemic outbreak. For FYE 2021, the demand for rubber gloves remains strong and our Group recorded an increase of revenue of 8.5% mainly due to higher sales of industrial brushes to our customers within the rubber glove manufacturing industry. As the COVID-19 pandemic outbreak is expected to enter into an endemic stage, the growth in demand for rubber gloves may begin to taper down and as such, we may not be able to maintain the current growth levels of our current revenue and profitability levels in the future;
- (d) Any disruptions or unplanned shutdowns to our Manufacturing Facilities could materially and adversely affect our business. Our Group's business is dependent on the manufacturing operations at our Manufacturing Facilities operating smoothly and efficiently;
- (e) We do not have long term contracts with our customers. We have not entered into any long-term contracts with our customers as our Group's sales are derived based on purchase orders whereby our customers will purchase our products/services on a project-to-project basis or on an as-needed basis;
- (f) We are exposed to fluctuation in foreign exchange rates which may impact our cost of raw materials purchased. There can be no assurance that there will not be any material fluctuation in foreign exchange in the future that could result in us recording a higher cost of sales or lower revenue recorded and adversely affect our GP margin and thus, our financial performance;
- (g) We are subject to availability and fluctuation in prices of raw materials and supplies. The fluctuations in the market prices of these raw materials due to changes in global supply and demand conditions as well as fluctuations of foreign exchange rates may cause our Group's financial performance to be adversely affected. During the financial years under

3. PROSPECTUS SUMMARY (cont'd)

- affected by any material increase in raw material prices (due to changes in supply and demand conditions as well as fluctuations of foreign exchange rates); and
- (h) Our profitability may be affected due to rising operating costs. Our Group may record lower profitability in the event that we are unable to increase our sales volume and price of our products and services to offset such cost increases.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Names	Designation
<u>Directors</u>	
Mahdzir bin Othman	Independent Non-Executive Chairman
Ang Lee Leong	Managing Director
Chee Wai Ying	Executive Director
Ang Lee Seng	Executive Director
Ang Poh Yee	Executive Director cum Chief Operating Officer
Lim See Tow	Independent Non-Executive Director
Andrew Yaw Mun Keng	Independent Non-Executive Director
Andrea Huong Jia Mei	Independent Non-Executive Director
<u>Key Senior Management</u>	
Leong Choi Ling	Chief Financial Officer

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

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Names	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ang Lee Leong ⁽³⁾⁽⁴⁾	305,162,140	76.4	⁽⁵⁾ 94,164,560	23.6	284,817,984	53.4	⁽⁸⁾ 89,386,916	16.8
Chee Wai Ying ⁽⁴⁾	47,082,280	11.8	⁽⁶⁾ 305,162,140	76.4	43,943,458	8.3	⁽⁹⁾ 286,317,984	53.8
Ang Lee Seng ⁽³⁾	47,082,280	11.8	⁽⁷⁾ 305,162,140	76.4	43,943,458	8.3	⁽⁷⁾ 284,817,984	53.4

Notes:

- (1) Based on our issued share capital of 399,326,700 Shares after completion of the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 532,435,600 Shares after our IPO.
- (3) Ang Lee Leong and Ang Lee Seng are siblings.
- (4) Chee Wai Ying is the spouse of Ang Lee Leong.
- (5) Deemed interested by virtue of his/her spouse and sibling's interest pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of her spouse's interest pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his sibling's interest pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of his spouse, children and sibling's interest pursuant to Section 8 of the Act.
- (9) Deemed interested by virtue of her spouse and children's interest pursuant to Section 8 of the Act.

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. Further details on the moratorium on our Shares are set out in Section 2.2.

3. PROSPECTUS SUMMARY (cont'd)**3.8 UTILISATION OF PROCEEDS**

The total estimated gross proceeds to be raised by our Company from the Public Issue of RM37.27 million shall be utilised in the following manner:

Details of utilisation	Estimated timeframe for utilisation from Listing	RM'000	%
Purchase of additional manufacturing machineries and equipment	Within 12 months	10,900	29.2
Construction of new warehouse facility and office building	Within 24 months	7,300	19.6
Renovation of New Office	Within 36 months	1,800	4.8
Repayment of bank borrowings	Within 12 months	8,900	23.9
Working capital requirements	Within 18 months	4,570	12.3
Estimated listing expenses	Within 1 month	3,800	10.2
	Total	37,270	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.

3.9 IMPACT OF COVID-19 AND MCO

The Government has imposed the MCO to curb the spread of the COVID-19 virus throughout Malaysia from 18 March 2020 to 3 May 2020, conditional MCO from 4 May 2020 to 9 June 2020 and recovery MCO from 10 June 2020 to 31 December 2020. During the end of 2020, the number of COVID-19 cases increased and led to the Government imposing a second MCO in various states beginning 13 January 2021. The country transitioned into a CMCO beginning 5 March 2021. However, increasing COVID-19 cases saw the third MCO re-imposed nationwide beginning 12 May 2021.

On 18 March 2020, we temporarily ceased operations, but received approval from MITI to resume operations on 26 March 2020. In compliance with MITI's approval, on 28 March 2020, 50% of our production staff resumed work while non-production staff worked remotely from home. Subsequently, we have since 10 June 2020 fully resumed our operations. On 28 May 2021, the Government subsequently announced a full MCO, also known as total lockdown ("FMCO") effective 1 June 2021. Similar to the initial MCO period in 2020, we had received approval from the MITI to continue operating during the FMCO, albeit with reduced production staff reduced and a work-from-home policy for managerial and administrative staff.

On 15 June 2021, the Government announced that the country would transition from the FMCO to the NRP which is a 4-phase strategy for the country to emerge from the COVID-19 pandemic. The NRP is based on 3 indicators, namely (i) the daily number of COVID-19 cases, (ii) utilisation rate of beds in intensive care unit wards, and (iii) the percentage of people who have been fully vaccinated against COVID-19. Depending on the indicators, each Malaysian state would be in the various phases of the NRP, which would have different restrictions on economic and social activities. Amidst a higher vaccination rate, the Government announced on 7 August 2021 that the daily number of COVID-19 cases would no longer be an indicator for the NRP for states that have vaccinated 50% of its population. For such states, the indicator would be replaced by the daily number of hospitalisations of symptomatic COVID-19 patients. Nevertheless, there was no significant negative impact in meeting our customers' orders, receiving raw materials and delivering finished goods as we were able to fulfil their orders despite the interruptions caused by the implementation of various MCOs, and there is unlikely to be any adverse impact on our financial performance as a result of the restrictions under the NRP.

On 14 September 2021, our manufacturing activities were temporarily halted due to the shutdown notice on the operations at our Manufacturing Facilities effective from 15 September 2021 to 19 September 2021, leading to delay in delivery to our customers. The temporary closure of our Manufacturing Facilities resulted in the temporary delay to our manufacturing operations and business activities by 1 week in fulfilling our orders to customers as we were unable to carry out manufacturing activities during this period. The delayed orders were gradually completed when we resumed our operations and manufacturing activities on 20 September 2021. Upon a follow up check by the MOH, we were cleared to resume our

3. PROSPECTUS SUMMARY (cont'd)

manufacturing operations at our Manufacturing Facilities on 20 September 2021. Purchase orders received were eventually delivered subsequent to the resumption of business and there were no cancellation of orders as a result of COVID-19 pandemic outbreak and the MCO. In February 2022, Malaysia saw a surge in COVID-19 infections due to the Omicron variant of COVID-19. Nonetheless, due to the high vaccination rates among our workforce at our office, we have not experienced any material disruptions to our business operations. Although we have reported infections amongst our employees, we continued our business activities normally and there was no major outbreak recorded within our Manufacturing Facilities and sales offices in Malaysia since our last major outbreak in September 2021. As at the LPD, our Group did not experience any material impact on our financial performance as a result of the surge in COVID-19 infections due to the Omicron variant of COVID-19.

During the various MCO periods implemented, we continued receiving purchase orders from our major customer who are the major rubber gloves manufacturers who were able to continue operating and were deemed as part of essential services. We did not receive any cancellation, default in payments or suspension/delays of any contracts or purchase orders due to the COVID-19 pandemic, save for several cases involving a push-out request by our customers in the date of delivery (i.e. 1 to 2 weeks delay). However, such push-out in delivery of products did not result in any financial impact on our Group, as we have since collected all outstanding payments from our customers. In addition, none of our customers have made claims against our Group for delays or failure to complete purchase orders due to COVID-19 pandemic. As such, with the increased demand for rubber gloves and other protective equipment used towards the fight of the COVID-19 pandemic, we recorded corresponding growth in our overall revenue during FYE 2020 and FYE 2021. We were able to work with our customers to fulfil their orders to minimise any possible disruption to delivery. This also allowed us to better plan our raw materials inventory. However, due to tightening of border and travel restrictions imposed by the authorities, we did face minor delays in delivering finished products to our customers located overseas. For FYE 2020 and FYE 2021, our Group incurred additional expenses of RM0.05 million and RM0.11 million, respectively for the implementation of strict health and safety measures including the purchase of sanitisers, disinfectants, thermometers and personal protective equipment, refreshments and meals, higher utilities, overtime charges, attendance allowances and relief allowances stemming from the increase in work hours. As at the LPD, our Group has not pursued any retrenchment or salary cutting or deferment exercises. In addition, as at LPD, 99.3% or 140 of our total employees have been fully vaccinated.

YLPH has received RM0.09 million and RM0.03 million under the Wage Subsidy Program during FYE 2020 and FYE 2021, respectively. The Wage Subsidy Program is a financial assistance program introduced by the Government of Malaysia which aims to support employers whose operations have been affected by COVID-19 with continuing operations and retaining employees. Save for the above, we have not received any other form of subsidy or financial assistance from the Government of Malaysia.

Further details on the business interruptions and impact of COVID-19 pandemic outbreak are set out in Section 6.23.

3.10 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.

3.10.1 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 FYE 2018 to FYE 2021:

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	27,813	29,208	41,974	45,525
GP	11,048	11,080	18,385	18,616
Profit from operations	6,901	7,007	13,566	12,636
PBT	6,578	6,744	13,541	12,583

3. PROSPECTUS SUMMARY (cont'd)

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
PAT	5,082	5,195	10,383	10,113
EBIT	6,839	6,939	13,671	12,676
EBITDA	8,050	8,265	15,009	14,292
GP margin (%) ⁽¹⁾	39.7	37.9	43.8	40.9
PBT margin (%) ⁽²⁾	23.7	23.1	32.3	27.6
PAT margin (%) ⁽²⁾	18.3	17.8	24.7	22.2
Basic EPS (sen) ⁽³⁾	1.27	1.30	2.60	2.53
Diluted EPS (sen) ⁽⁴⁾	0.95	0.98	1.95	1.90

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

Notes:

- (1) Calculated based on GP over revenue.
- (2) Calculated based on PAT/PBT over revenue.
- (3) Calculated based on PAT attributable to owners of our Company divided by the share capital of 399,326,700 Shares in issue upon Acquisitions but before our IPO.
- (4) Calculated based on PAT attributable to owners of our Company divided by the enlarged share capital of 532,435,600 Shares after our IPO.

There were no exceptional or extraordinary items during the financial years under review. Our audited combined financial statements for the financial years under review were not subjected to any audit qualifications by our auditors.

3.10.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group based on our audited combined statements of financial position as at 31 December 2021 to show the effects of the Acquisitions, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read in conjunction with the pro forma combined financial information in Section 13.

	I	II	III	
	As at 31 December 2021	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	19,080	19,080	19,080	19,453
Total current assets	36,686	36,686	73,956	61,461
TOTAL ASSETS	55,766	55,766	93,036	80,914
EQUITY AND LIABILITIES				
Equity				
Share capital	(1)-	31,547	68,817	67,539
Invested equity	350	-	-	-
Foreign currency translation reserve	(61)	(61)	(61)	(61)
Merger reserve	-	(31,197)	(31,197)	(31,197)
Retained earnings	41,276	41,276	41,276	38,969
	41,565	41,565	78,835	75,250
Non-controlling interests	(1)-	(1)-	(1)-	(1)-
TOTAL EQUITY	41,565	41,565	78,835	75,250
Total non-current liabilities	9,303	9,303	9,303	1,000
Total current liabilities	4,898	4,898	4,898	4,664
TOTAL LIABILITIES	14,201	14,201	14,201	5,664
TOTAL EQUITY AND LIABILITIES	55,766	55,766	93,037	80,914
No. of Shares in issue ('000)	-	399,327	532,436	532,436
NA per Share (RM)	-	0.10	0.15	0.14
Gearing ratio	-	0.22	0.11	0.01

3. PROSPECTUS SUMMARY (cont'd)**Note:**

(1) Less than RM1,000.

3.10.3 Operational Highlights

Revenue generated from our manufacturing segment amounts to 64.4%, 63.5%, 65.5% and 70.3% of our Group's revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. The growth in the manufacturing segment was mainly driven by the growth in demand from our customers involved in the rubber gloves manufacturing industry during the financial years under review. By geographical location, Malaysia remains our Group's largest revenue contributor, contributing between 81.9%, 85.8%, 81.4% and 76.8% of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively.

Our Group's largest revenue contributor is contributed from the rubber gloves manufacturing industry, contributing between 77.4%, 78.7%, 88.0% and 85.4% of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of revenue by business segments are as follows:

	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing segment								
- Industrial brushes	17,415	62.6	18,148	62.1	27,100	64.6	31,569	69.4
- Household brushes	508	1.8	412	1.4	378	0.9	425	0.9
Trading segment	9,890	35.6	10,648	36.5	14,496	34.5	13,531	29.7
Total	27,813	100.0	29,208	100.0	41,974	100.0	45,525	100.0

3.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries and/or associate company, present or future. The payment of dividends by our subsidiaries and/or associate company 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. The dividends declared and paid for the financial years under review are as follows:

	Audited				Unaudited
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	1 January 2022 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	(1)2,000	(2)2,000	(3)5,000	-	-
Dividends paid	1,500	2,000	4,000	3,000	-

Notes:

- (1) Paid in January 2019.
- (2) Paid in January and June 2020.
- (3) RM2.00 million paid in December 2020, RM3.00 million paid in January and February 2021.

The dividends paid are funded via internally generated funds. Our Board does not foresee that dividends paid would affect the execution and implementation of our future plans or strategies moving forward. Further details of our dividend policy are set out in Section 11.15.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 17 May 2022 and will remain open until 5.00 p.m. on 25 May 2022. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative Dates
Opening of Application	17 May 2022
Closing Date of Application	25 May 2022
Balloting of Application	27 May 2022
Allotment of Issue Shares to successful applicants	3 June 2022
Date of Listing	7 June 2022

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing Scheme

(a) Public Issue

A total of 133,108,900 Issue Shares representing 25.0% of our enlarged share capital are offered at the IPO Price and shall be allocated in the following manner:

(i) Malaysian Public (via balloting)

26,621,800 Issue Shares, representing 5.0% of our enlarged share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (aa) 13,310,900 Issue Shares made available to public investors; and
- (bb) 13,310,900 Issue Shares made available to Bumiputera public investors.

(ii) Eligible Directors and employees

15,973,000 Issue Shares, representing 3.0% of our enlarged share capital, will be 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.

(iii) Private placement to selected investors

23,959,600 Issue Shares, representing 4.5% of our enlarged share capital, will be made available by way of private placement to selected investors.

(iv) Private placement to identified Bumiputera investors approved by MITI

66,554,500 Issue Shares, representing 12.5% of our enlarged share capital, will be made available by way of private placement to identified Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO

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.

(b) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 26,621,800 Offer Shares, representing 5.0% of our enlarged share capital by way of private placement to selected investors to be identified at the IPO Price. The details of our Selling Shareholders and their relationship with our Group are as follows:

Names / Residential address	Relationship with our Group	Before IPO		Offer Shares offered		After IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
Ang Lee Leong / No 1, Jalan Kledang Permai 15, Taman Kledang Permai 31450 Menglembu, Perak	Managing Director, Promoter and substantial shareholder	305,162,140	76.4	20,344,156	5.1	284,817,984	53.4
Chee Wai Ying / No 1, Jalan Kledang Permai 15, Taman Kledang Permai 31450 Menglembu, Perak	Executive Director, Promoter and substantial shareholder	47,082,280	11.8	3,138,822	0.8	43,943,458	8.3
Ang Lee Seng / 59, Dataran Rapat Baru 22, Taman Taufik 31350 Ipoh, Perak	Executive Director, Promoter and substantial shareholder	47,082,280	11.8	3,138,822	0.8	43,943,458	8.3
Total		399,326,700	100.0	26,621,800	6.7	372,704,900	70.0

Notes:

- (1) Based on the share capital of 399,326,700 Shares after completion of the Acquisitions but before our IPO.
- (2) Based on the enlarged share capital of 532,435,600 Shares after our IPO.

4. DETAILS OF OUR IPO

The Offer for Sale is expected to raise gross proceeds of approximately RM7.45 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 fees, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.20 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.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM68,817,393.40 comprising 532,435,600 Shares shall be listed on the ACE Market.

4.3.2 Pink Form Allocations

We have allocated 15,973,000 Issue Shares to our eligible Directors and employees (which also includes the directors of our subsidiaries and associate company) under the Pink Form Allocations as follows:

Categories	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	5	3,300,000
Eligible key senior management	1	1,000,000
Other eligible employees (which also includes the directors of our subsidiaries and associate company)	75	11,673,000
Total	81	15,973,000

Pink Form Allocations which are not accepted by our eligible Directors and employees (including the directors of our subsidiaries and associate company) 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.

(a) Allocation to our eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Our Executive Directors (save for Ang Poh Yee) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and Selling Shareholders. Details of the proposed allocation to our other Directors are as follows:

Names	Designations	No. of Issue Shares
Ang Poh Yee	Executive Director cum Chief Operating Officer	1,500,000
Mahdzir bin Othman	Independent Non-Executive Chairman	600,000
Lim See Tow	Independent Non-Executive Director	400,000
Andrew Yaw Mun Keng	Independent Non-Executive Director	400,000
Andrea Huang Jia Mei	Independent Non-Executive Director	400,000
Total		3,300,000

4. DETAILS OF OUR IPO (cont'd)**(b) Allocation to our eligible employees (including the directors of our subsidiaries and associate company)**

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) their seniority, position, length of service and contributions 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
Leong Choi Ling	Chief Financial Officer	1,000,000

Included in the allocation to our eligible employees are the proposed allocations to the directors of our subsidiaries and associate company:

Name	Designation	No. of Issue Shares
Yong Chee Wee	Director of Yew Lee Indonesia	180,000
Teh Yee Kwang	Director of Yew Lee Thailand	100,000

Any Issue Shares reserved under the Pink Form Allocations which are not taken up will be made available for subscription by the following persons as follows:

- (a) firstly, by the other eligible Directors and employees;
- (b) secondly, by the Malaysian Public as described in Section 4.3.1(a)(i) of this Prospectus;
- (c) thirdly, by our selected investors as described in Section 4.3.1(a)(iii) of this Prospectus; and
- (d) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save as disclosed in Section 4.3, to the extent known to our Company:

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

4.3.3 Underwriting arrangement

Our Underwriter will underwrite 42,594,800 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 90,514,100 Issue Shares and 26,621,800 Offer Shares reserved for private placement to selected investors and identified Bumiputera investors approved by MITI shall be placed out by our Placement Agent and will not be underwritten. However, we do not intend to procure any undertaking for subscription from any of the selected investors and identified Bumiputera investors approved by MITI.

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

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

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated to our eligible Directors and employees of our Group. Likewise, any Issue Shares which are not taken up by our eligible Directors and employees of our Group will be allocated to the Malaysian Public.
- (b) Subject to (a) above and Section 4.3.2(b), in the event there are Issue Shares not subscribed by the Malaysian Public as well as our eligible Directors and employees of our Group, the remaining portion will be made available for application by way of private placement to selected investors to be identified under Section 4.3.1(a)(iii) of this Prospectus. Thereafter, any remaining Issue Shares that are still not subscribed for will be underwritten based on the terms and conditions of the Underwriting Agreement.
- (c) The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via public balloting, and thereafter to the other public investors via public balloting.
- (d) In the event of an oversubscription by the Malaysian Public and a corresponding under-subscription under Sections 4.3.1(a)(ii), 4.3.1(a)(iii) and/or 4.3.1(b) of this Prospectus, the remaining portion will be clawed-back and be allocated to the Malaysian Public to increase the participation of retail investors.
- (e) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

The clawback and reallocation shall not apply in the event of over-application under Sections 4.3.1(a)(i), 4.3.1(a)(ii), 4.3.1(a)(iii), 4.3.1(a)(iv) and 4.3.1(b) of this Prospectus.

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. DETAILS OF OUR IPO (cont'd)

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	399,326,700	31,546,901.40
To be issued under our Public Issue	133,108,900	37,270,492.00
Enlarged share capital upon our Listing	532,435,600	68,817,393.40

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.

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

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of 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 one vote for each ordinary share held.

4.5 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.9;
- (b) 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;
- (c) to increase the brand visibility of our Group in the industrial brush industry;
- (d) to provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity; and
- (e) 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. DETAILS OF OUR IPO (cont'd)

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:

- (a) the PE Multiple of approximately 14.7 times based on our audited combined EPS of 1.90 sen for FYE 2021, calculated based on our audited combined PAT attributable to the owners of our Company of RM10.12 million and our enlarged share capital of 532,435,600 Shares upon our Listing;
- (b) our pro forma combined NA per Share as at 31 December 2021 after the Acquisitions, Public Issue and utilisation of proceeds of RM0.14, calculated based on our pro forma combined NA after the Acquisitions, Public Issue and utilisation of proceeds as at 31 December 2021 of RM75,249,953 and our enlarged share capital of 532,435,600 Shares upon our Listing;
- (c) our historical financial track record as summarised below:

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	27,813	29,208	41,974	45,525
GP	11,048	11,080	18,385	18,616
PAT attributable to the owners of our Company	5,082	5,195	10,383	10,116
Basic EPS (sen) ⁽¹⁾	1.27	1.30	2.60	2.53
Diluted EPS (sen) ⁽²⁾	0.95	0.98	1.95	1.90

Notes:

- (1) Calculated based on PAT attributable to owners of our Company divided by the share capital of 399,326,700 Shares in issue upon Acquisitions but before our IPO.
 - (2) Calculated based on PAT attributable to the owners of our Company divided by the enlarged share capital of 532,435,600 Shares after our IPO.
- (d) our competitive strengths as set out in Section 6.10; and
 - (e) our Group's future plans and business strategies as well as future prospects as further described in Sections 6.25 and 6.26, respectively.

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

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 532,435,600 Shares, our total market capitalisation is estimated to be RM149,081,968 upon Listing.

4. DETAILS OF OUR IPO (cont'd)**4.8 DILUTION**

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

	RM
IPO Price	0.28
Pro forma combined NA per Share as at 31 December 2021 after the Acquisitions but before Public Issue	0.10
Pro forma combined NA per Share as at 31 December 2021 after the Acquisitions, Public Issue and utilisation of proceeds	0.14
Increase in pro forma combined NA per Share attributable to existing shareholders	0.04
Dilution in pro forma combined NA per Share to new public investors	0.14
Dilution in pro forma combined NA per Share as a percentage of IPO Price	50.0%

Further details of our pro forma combined NA per Share as at 31 December 2021 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:

Names	No. of Shares received after the Acquisitions	Total consideration RM	Average effective cost per Share RM
Ang Lee Leong	305,162,140	24,107,901.16	0.079
Chee Wai Ying	47,082,280	3,719,500.12	0.079
Ang Lee Seng	47,082,280	3,719,500.12	0.079
	399,326,700	31,546,901.40	0.079

Save for the Shares received by our Promoters, eligible Directors and key senior management pursuant to the Acquisitions as well as Pink Form Allocations, 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 4 years up to the LPD.

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

The estimated gross proceeds arising from our Public Issue of RM37.27 million will accrue entirely to us and are planned to be utilised in the following manner:

<u>Utilisation of proceeds</u>	<u>Notes</u>	<u>RM'000</u>	<u>%</u>	<u>Estimated timeframe for utilisation from Listing</u>
Purchase of additional manufacturing machineries and equipment	(a)	10,900	29.2	Within 12 months
Construction of new warehouse facility and office building	(b)	7,300	19.6	Within 24 months
Renovation of New Office	(c)	1,800	4.8	Within 36 months
Repayment of bank borrowings	(d)	8,900	23.9	Within 12 months
Working capital requirements	(e)	4,570	12.3	Within 18 months
Estimated listing expenses	(f)	3,800	10.2	Within 1 month
Total		37,270	100.0	

Notes:**(a) Purchase of additional manufacturing machineries and equipment**

In line with our proposed expansion plans of our overall manufacturing capacity and increase in higher automation for our manufacturing activities, we plan to acquire additional manufacturing machineries and equipment. As such, we intend to utilise RM10.90 million or 29.2% of the proceeds from our Public Issue for the acquisition of additional manufacturing machineries and equipment as detailed below:

<u>Type of manufacturing machineries and equipment</u>	<u>Function</u>	<u>No. of units</u>	<u>Total estimated cost RM'000</u>
Semi-automated CNC continuous cycle drilling and filling machines	Used to perform hole drilling and filament tufting continuous process during brush production	4	(1)4,950
CNC lathe machine	Used for machining of metal workpiece by cutting and/or shaping to a desired design automatically	1	670
CNC milling machine	Used for machining process using rotary cutters to remove materials	1	350
Plastic injection moulding machines	Used to perform injection moulding process by injecting plastic materials molten by heat into a mould for production of plastic core of brushes	5	1,270
High-speed fully automatic CNC continuous cycle drilling, filling and trimming machines	Used to perform hole drilling and filament tufting continuous process during brush production and trimming of filament-ends	1	2,700

4. DETAILS OF OUR IPO (cont'd)

Type of manufacturing machineries and equipment	Function	No. of units	Total estimated cost RM'000
Trimming and flagging machine	Used for cutting/trimming filament-ends into flat surface and splitting filament-ends into many small pieces	2	230
Strip brush/spiral brush machine	Used for production of strip brush/spiral brush	1	200
Bristle cutting machines	Used to cut brush filaments into the desired length for brush making process	2	530
		Total	10,900

Note:

- (1) On 28 December 2021, we completed the purchase of 1 unit of semi-automated CNC continuous cycle drilling and filling machine of EUR0.16 million (equivalent to approximately RM0.77 million and was funded via our Group's internally generated funds). We shall utilise the IPO proceeds to be raised to replenish the original funds allocated to purchase this machinery. The purchase of additional 4 units of semi-automated CNC continuous cycle drilling and filling machines (inclusive of the abovesaid 1 unit already purchased) are expected to increase our overall manufacturing capacity of industrial brushes by approximately 1.18 million pieces of industrial brushes per annum, from 3.08 million pieces of industrial brush per annum to 4.26 million pieces of industrial brush per annum (measured based on the increase in manufacturing lines from 14 CNC lines as at the LPD to 18 CNC lines). Our Manufacturing Facilities have the sufficient floor space to accommodate the above new manufacturing machineries and equipment to be purchased by our Group.

These additional manufacturing machineries and equipment will enable our Group to achieve the following:

- (i) as at the LPD, certain of our manufacturing processes (such as cutting of filament hanks as well as trimming and flagging of bristles) and manufacturing of certain types of industrial brushes (such as lathe brushes, strip/spiral brushes) still requires the use of manual labour. Save for the high-speed fully automatic CNC continuous cycle drilling, filling and trimming machines, which are fully automated, the other new manufacturing machineries and equipment are semi-automated in nature and will require certain use of manual labour to operate these new manufacturing machineries and equipment. The use of these semi-automated manufacturing machineries and equipment will enable us to increase the automation levels of our manufacturing process, thus improving overall operating capacity and efficiency of our manufacturing processes; and
- (ii) the purchases of additional semi-automated CNC continuous cycle drilling and filling machineries, CNC lathe machine, CNC milling machine, trimming and flagging machine, bristle cutting machines and plastic injection moulding machines will enable us to achieve the following benefits:
- (aa) further increase the quality consistency of our industrial brushes, in terms of ensuring the accuracy and efficiency of the tufting process which involves both holes drilling and implanting of bristles into the plastic core of the industrial brush that is produced from the injection moulding process; and

4. DETAILS OF OUR IPO (cont'd)

- (bb) In addition, this will further enable us to manufacture different type of customised industrial brushes based on our customers' specific manufacturing requirements and processes. The additional manufacturing machineries and equipment will provide us with additional flexibility to design and manufacture custom-made industrial brushes for our customers, thus allowing us to further customise nearly every aspect of an industrial brush, including the brush and bristle lengths for differing manufacturing requirements.

The estimated cost for the purchase of manufacturing machineries and equipment was derived based on suppliers' quotations. As at the LPD, save for the purchase orders for 1 unit of strip brush/spiral brush machine of approximately RM0.20 million and 1 unit of trimming and flagging machine of approximately RM0.12 million (which shall be funded via our IPO proceeds and shall be delivered by the second half of FYE 2022), we have not procured or entered into any other binding arrangements for the purchase of new machineries and equipment. Therefore, the estimated cost of these machineries and equipment is subject to changes if the quotations obtained are being revised. For the semi-automated CNC continuous cycle drilling and filling machines to be purchased, the average purchase price of RM1.24 million per machine allocated above is higher than the:

- (i) average purchase price of RM0.97 million per machine made during FYE 2020; and
- (ii) 1 unit of semi-automated CNC continuous cycle drilling and filling machine of EUR0.16 million (equivalent to approximately RM0.77 million).

The higher average purchase price of these new semi-automated CNC continuous cycle drilling and filling machines is due to the following reasons:

- (i) the semi-automated CNC continuous cycle drilling and filling machine of EUR0.16 million (equivalent to approximately RM0.77 million) purchased in July 2021 can only manufacture brushes of smaller diameter. Our other existing semi-automated CNC continuous cycle drilling and filling machines has the capability to manufacture other range of industrial brushes with larger diameters; and
- (ii) the new semi-automated CNC continuous cycle drilling and filling machines to be purchased under our IPO has higher tufting ability as these CNC machines (in terms of number of tufts per minute and longer stroke length of up to 200 millimetres) to drill more holes and implanting additional bristles into the plastic core of the industrial brush.

In the event the allocated proceeds are insufficient for the purchase of the manufacturing machineries and equipment, any shortfall will be funded via internally generated funds and/or additional bank borrowings. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our general working capital requirements.

(b) Construction of new warehouse facility and office building

Presently, our headquarters, manufacturing floor space and warehouse facilities are all currently located within our Manufacturing Facilities, which currently comprises of the following:

Buildings	Details	Size (sq ft)
Single storey factory with office	• Main office (Front)	5,813
	• Manufacturing floor space (Back)	27,125

4. DETAILS OF OUR IPO (cont'd)

Buildings	Details	Size (sq ft)
Single storey factory with warehouse	<ul style="list-style-type: none"> • Manufacturing floor space (Front) • Warehouse facilities (Back) 	<p>27,125</p> <p>17,438</p>
3-storey hostel	Accommodation for our foreign workers	5,421

We intend to utilise RM7.30 million or 19.6% of the proceeds from our Public Issue for the construction of our new warehouse facility and 3-storey office building within the same piece of land to which our Manufacturing Facilities are currently located, where we have been operating since 2012. Further details are as follows:

- (i) We intend to construct a new 3-storey office building which shall have a built-up area of approximately 18,309 sq ft, which shall house our new corporate office, showrooms and meeting rooms. Upon completion, our main office space currently located at the front portion of the single storey factory with office building within our Manufacturing Facilities shall be relocated to the 3-storey office building. This is part of our expansion plans to accommodate for additional office staffs as well as to support the expansion of our Group's business operations.

Thereafter, we intend to convert our existing main office space into our expanded manufacturing floor space. This will enable us to further expand our existing manufacturing floor space to a total of 60,063 sq ft. The expansion of our manufacturing floor space will enable us to achieve the following benefits:

- (aa) customisation of the design for our manufacturing floor space, which will allow us to optimise the configuration of our manufacturing machineries and equipment, thus enhancing our overall manufacturing workflow and efficiency;
- (bb) accommodate for the additional manufacturing machineries and equipment to be acquired (as detailed in (a) above); and
- (cc) further increase our manufacturing capacity to cater for our future business growth, where the increased capacity will enable our Group to take on new customers and more large purchase orders of industrial brushes arising from our plans to grow our customer base and expanding our range of industrial brushes. Kindly refer to Section 6.18 for further details of our Group's operating capacities and output.

We expect to incur total cost of approximately RM1.50 million (to be funded from our internally generated funds) comprising renovation, transportation and manpower costs to convert the existing main office space into our extended manufacturing floor space. Such plans are estimated to be completed within 6 months from the date of completion of our new warehouse facility and 3-storey office building. However, we do not anticipate to incur any additional investments for additional manufacturing machineries and equipment upon completion of conversion of our existing main office space into our expanded manufacturing floor space (save for the purchase of the additional manufacturing machineries and equipment proposed to be purchased using our IPO proceeds, as detailed in (a) above).

- (ii) We intend to construct a new warehouse facility which shall have a built-up area of approximately 12,788 sq ft and shall be adjacent to our 3-storey office building to be constructed. The additional warehouse facility will enable us to better organise storage of our raw materials and finished goods.

4. DETAILS OF OUR IPO (cont'd)

The breakdown for the expected construction cost for the new warehouse facility and new office building is as follows:

No.	Details	RM'000
(i)	Construction of new warehouse facility	2,000
(ii)	Construction of new 3-storey office building	3,700
(iii)	Infrastructure and electrical works	600
(iv)	Installation of firefighting equipment and related works	500
(v)	Other ancillary works and professional fees	500
	Total	7,300

The construction cost was estimated based on contractors' quotations received. In the event of any construction cost over-run, we will utilise our internally generated funds to meet the shortfall from the amount allocated from our Public Issue. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our general working capital requirements. The indicative timeline of construction for our new warehouse facility and 3-storey office building is as follows:

Timeframe	Milestones
June 2022	<ul style="list-style-type: none"> • Submit building plans and relevant applications
September 2022	<ul style="list-style-type: none"> • Obtain approval for building plans and other approvals required from local councils and authorities
October 2022	<ul style="list-style-type: none"> • Commencement of construction
September 2023	<ul style="list-style-type: none"> • Completion of construction • Certificate of Completion and Compliance obtained
December 2023	<ul style="list-style-type: none"> • Commencement of operations

(c) Renovation of New Office

Presently, YLPH is operating its sales office at a rented double storey shophouse unit at the Klang Sales Office. On 19 April 2021, YLPH has entered into a sale and purchase agreement to acquire our New Office, which shall have a total built-up area of 8,489 sq ft. Kindly refer to Section 6.20 for further details of the sale and purchase agreement for the New Office.

Once the construction of the New Office is completed in April 2024, YLPH shall immediately undertake the renovation of the New Office, which is expected to commence and to be completed within 6 months from the date of delivery of vacant possession of the New Office to us. The New Office shall house YLPH's new sales office cum warehouse facility upon completion of the renovation. Our new warehouse facility will be located on the first and second floor of the New Office measuring 5,811 sq ft whilst our new sales office will be located on the third floor of the New Office measuring 2,678 sq ft.

The relocation is part of our existing expansion plans for our trading of industrial hardware and machinery parts segment in the central and southern regions of Peninsular Malaysia. Upon completion of renovation of our New Office and relocation to our New Office, we shall cease the rental and operations of our Klang Sales Office. As such, we have earmarked RM1.80 million or 4.8% from our Public Issue proceeds for the renovation cost of our New Office, the breakdown of which is as follows:

4. DETAILS OF OUR IPO (cont'd)

No.	Details	RM'000
(i)	Installation and electrical works	389
(ii)	Installation of storage tank and pump sets including supply of equipment and sanitary wares and loose fittings	200
(iii)	Infrastructure related works	526
(iv)	Installation of racking systems	385
(v)	Other ancillary works	300
	Total	1,800

The renovation cost of our New Office was estimated based on contractors' quotations received. In the event the allocated proceeds are insufficient for the renovation of our New Office, any shortfall will be funded via internally generated funds and/or additional bank borrowings. Conversely, if the actual renovation cost for our New Office is lower than the amount budgeted above, any excess will be allocated for our general working capital requirements.

(d) Repayment of bank borrowings

As at the LPD, our outstanding total bank borrowings stood at RM8.91 million. We intend to allocate RM8.90 million or 23.9% from our Public Issue proceeds to reduce our overall bank borrowings (after taking into account the expected full drawdown of the term loan utilised for the purchase of the New Office), details of which are as follows:

Type of banking facilities	Purpose	⁽²⁾ Interest rate	Maturity date	Principal amount RM'000	⁽³⁾ Balance as at LPD RM'000	Amount to be repaid from gross proceeds RM'000
Term loan	Construction and expansion of Manufacturing Facilities ⁽⁴⁾	3.5%	28 August 2041	5,000	4,187	4,100
Term loan	Purchase of New Office	3.2%	31 August 2041	3,143	⁽¹⁾ 2,753	3,060
Term loan	Purchase of an apartment unit in Shah Alam, Selangor	3.3%	31 May 2036	204	157	150
Term loan	Working capital	3.4%	31 January 2036	1,275	1,191	1,100
Hire purchase	Purchase of motor vehicles	1.9% - 3.8%	2023 - 2025	1,485	621	490

Notes:

- (1) Repayment shall commence from 1 September 2021 to 31 August 2041. Details of the timing and amount of drawdown of term loan for purchase of New Office are as follows:

4. DETAILS OF OUR IPO (cont'd)

Dates	Milestones for drawdown
12 July 2021	• Drawdown RM1.26 million to the developer as progress payment sum
24 September 2021	• Drawdown RM1.48 million to the developer as progress payment sum
16 March 2022	• Drawdown RM0.10 million to the developer as progress payment sum

The balance of RM0.30 million are expected to be drawdown progressively until the date of delivery of vacant possession by the developer by April 2024. This term loan was specifically obtained to finance the purchase of the New Office. Kindly refer to Section 6.20 for further details of the sale and purchase agreement for the New Office.

- (2) The interest rates for the term loans are based on floating interest rate, whilst the interest rates for our hire purchase facilities are based on fixed interest rate.
- (3) Representing principal outstanding sums and excludes the applicable interest sums payable.
- (4) This term loan of RM5.00 million was undertaken for our previous construction and expansion of our Manufacturing Facilities, as follows:

Purposes	Drawdown period	Loan amount (RM)
Construction of single storey factory with office	February 2011	2,500
Expansion of Manufacturing Facilities for the construction of the single storey factory with warehouse	May 2016	2,500

The proposed repayment of bank borrowings above will reduce our overall gearing levels from 0.22 times to 0.01 times based on the pro forma combined statements of financial position as at 31 December 2021 and a result in an expected total interest savings of approximately RM0.30 million per annum, based on the average effective interest rate of 3.4% per annum multiplied by the amount to be utilised from our IPO proceeds, which was arrived at based on the average interest rate charged, amount of bank borrowings undertaken and repayment period. However, the actual interest savings may vary depending on the then applicable interest rate.

In the event there are any excess available from the above repayment of bank borrowings, such excess of proceeds will be allocated for our general working capital requirements. Conversely, if the allocated proceeds are insufficient for the repayment of bank borrowings, such shortfall will be funded via internally generated funds.

4. DETAILS OF OUR IPO (cont'd)**(e) Working capital requirements**

A total of RM4.57 million or 12.3% of our Public Issue proceeds will be used to finance our additional working capital requirements in tandem with the expected growth in our business and operations. The following is a breakdown of the utilisation of proceeds for our working capital requirements:

Details	RM'000
Expansion of workforce for our manufacturing activities ⁽¹⁾	970
Purchase of raw materials for our manufacturing of industrial brushes business segment ⁽²⁾	3,600
Total	4,570

Notes:

- (1) Our Group expects to utilise approximately RM0.97 million for the payment of salaries to new staffs to be recruited. In this respect, we intend to hire the following new personnel:

Positions	No. of employees	Functions
Supply chain (comprising managers and executives)	2	Involve in all inventory levels management
Quality assurance (comprising managers and executives)	5	Involve in performing QC inspection
Engineers	2	Involve in performing in-house design and production activities
Account clerks	2	Supporting our finance and accounting team
Production workers	10	Involve in manufacturing activities
Total	21	

Such amount is expected to be utilised over a period of 12 months and the payments of new staff salaries will subsequently be funded through internally generated funds.

- (2) RM3.60 million of the Public Issue proceeds are earmarked for the advance purchases of monofilament materials used in the manufacturing of industrial brushes (such as nylon, polybutylene terephthalate, PET and PP, antistatic and abrasive nylon). These monofilament materials are the main raw materials that we purchased for our manufacturing segment and constituted 81.0%, 80.6%, 78.5% and 83.5% of the total raw materials and supplies purchased of our manufacturing segment for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. Such advanced purchases will improve our overall inventory levels and availability of raw materials for the manufacturing of industrial brushes, which will shorten overall lead time for delivery of industrial brushes to our customers. The allocation of the proceeds for the purchase of raw materials was arrived at after considering the additional raw materials required to support our future plans and business strategies to grow our revenues as set out in Section 6.25.

4. DETAILS OF OUR IPO (cont'd)**(f) Estimated listing expenses**

An amount of RM3.80 million or 10.2% 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 general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Details	RM'000
Professional fees ⁽¹⁾	2,400
Fees payable to the authorities	93
Underwriting, placement and brokerage fees	932
Printing, advertising fees and contingencies ⁽²⁾	375
Total	3,800

Notes:

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

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

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

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM7.45 million which will accrue entirely to the Selling Shareholders and we will not receive any of the proceeds. The Selling Shareholders shall bear all of the expenses such as stamp duty, placement fees and miscellaneous fees relating to the Offer Shares, the aggregate of which are estimated to be approximately RM0.20 million.

4.10 UNDERWRITING COMMISSION, PLACEMENT FEES AND BROKERAGE FEES**(a) Underwriting commission**

Our Underwriter, M&A Securities has agreed to underwrite 42,594,800 Issue Shares available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 2.0% of the total value of underwritten Shares at the IPO Price.

(b) Placement fees

Our Placement Agent will place out a total of 90,514,100 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 those Issue Shares to be placed out to selected investors by our Placement Agent at the IPO Price.

4. DETAILS OF OUR IPO (cont'd)

(c) 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

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 42,594,800 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.3.

The salient terms of the Underwriting Agreement are as follows:

Conditions precedent

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

4. DETAILS OF OUR IPO (cont'd)

execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph 1.1(c) above;

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

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

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

Termination

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

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

our Group and the success of the Public Issue, or the distribution of the Issue Shares; or

- (c) There shall have occurred, happened or come into effect in the opinion of our Underwriter any material and/or adverse change to the business or financial condition of our Group; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/or our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of our Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Group and the success of the Public Issue, or the distribution of our Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the allotment of the Issue Shares, lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 market days; or
 - (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
- (e) There is failure on the part of our Company to perform any of their respective obligations herein contained; or
- (f) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
- (g) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

- 1.4 Upon such notice(s) being given, our Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of our obligations and liabilities for the payment of the costs and expenses

4. DETAILS OF OUR IPO (cont'd)

already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and our undertaking to indemnify our Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

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

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

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Changes in the Promoters' and substantial shareholders' shareholdings

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

Names	Nationality	As at incorporation				(1)After the Acquisitions				(2)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	%
Ang Lee Leong ⁽³⁾⁽⁴⁾	Malaysian	100	100.0	-	-	305,162,140	76.4	⁽⁵⁾ 94,164,560	23.6	284,817,984	53.4	⁽⁸⁾ 89,386,916	16.8
Chee Wai Ying ⁽⁴⁾	Malaysian	-	-	-	-	47,082,280	11.8	⁽⁶⁾ 305,162,140	76.4	43,943,458	8.3	⁽⁹⁾ 286,317,984	53.8
Ang Lee Seng ⁽³⁾	Malaysian	-	-	-	-	47,082,280	11.8	⁽⁷⁾ 305,162,140	76.4	43,943,458	8.3	⁽⁷⁾ 284,817,984	53.4
Total		100	100.0			399,326,700	100.0			372,704,900	70.0		

Notes:

- (1) Based on our issued share capital of 399,326,700 Shares after completion of the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 532,435,600 Shares after our IPO.
- (3) Ang Lee Leong and Ang Lee Seng are siblings.
- (4) Chee Wai Ying is the spouse of Ang Lee Leong.
- (5) Deemed interested by virtue of his/her spouse and sibling's interest pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of her spouse's interest pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his sibling's interest pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of his spouse, children and sibling's interest pursuant to Section 8 of the Act.
- (9) Deemed interested by virtue of her spouse and children's interest pursuant to Section 8 of the Act.

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

The profiles of our Promoters, who are also our Managing Director and Executive Directors, are set out in Section 5.2.2.

5.1.2 Persons exercising control over the corporation

Our Promoters will collectively hold 70.0% of our enlarged share capital upon our Listing. Save for our Promoters, there are no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement which may, at a subsequent date, result in the change of control in Yew Lee.

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

5.1.3 Benefits paid or intended to be paid

Save for the dividends paid to our Promoters and/or substantial shareholders as disclosed in Section 11.15 and our Directors' remuneration and benefits as disclosed in Section 5.2.4 below, there is no amount and benefit that has been or is intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

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:

Names	Designation/ Nationality	As at the LPD			After IPO ⁽¹⁾⁽²⁾		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Mahdzir bin Othman	Independent Non-Executive Chairman / Malaysian	-	-	-	600,000	0.1	-
Ang Lee Leong ⁽³⁾⁽⁴⁾⁽⁵⁾	Managing Director / Malaysian	305,162,140	76.4	⁽⁶⁾ 94,164,560	284,817,984	53.4	⁽⁹⁾ 89,386,916
Chee Wai Ying ⁽⁴⁾⁽⁵⁾	Executive Director / Malaysian	47,082,280	11.8	⁽⁷⁾ 305,162,140	43,943,458	8.3	⁽¹⁰⁾ 286,317,984
Ang Lee Seng ⁽³⁾	Executive Director / Malaysian	47,082,280	11.8	⁽⁸⁾ 305,162,140	43,943,458	8.3	⁽⁸⁾ 284,817,984
Ang Poh Yee ⁽⁵⁾	Executive Director cum Chief Operating Officer / Malaysian	-	-	-	1,500,000	0.3	-
Lim See Tow	Independent Non-Executive Director / Malaysian	-	-	-	400,000	0.1	-
Andrew Yaw Mun Keng	Independent Non-Executive Director / Malaysian	-	-	-	400,000	0.1	-
Andrea Huang Jia Mei	Independent Non-Executive Director / Malaysian	-	-	-	400,000	0.1	-

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

Notes:

- (1) Based on our enlarged issued share capital of 532,435,600 Shares after completion of the Acquisitions and our IPO.
- (2) Assuming all our Directors (save for Ang Lee Leong, Chee Wai Ying and Ang Lee Seng) will fully subscribe for their Pink Form Allocations.
- (3) Ang Lee Leong and Ang Lee Seng are siblings.
- (4) Chee Wai Ying is the spouse of Ang Lee Leong.
- (5) Ang Poh Yee is the daughter of Ang Lee Leong and Chee Wai Ying.
- (6) Deemed interested by virtue of his spouse and sibling's interest pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of her spouse's interest pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of his sibling's interest pursuant to Section 8 of the Act.
- (9) Deemed interested by virtue of his spouse, children and sibling's interest pursuant to Section 8 of the Act.
- (10) Deemed interested by virtue of her spouse and children's interest pursuant to Section 8 of the Act.

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

(a) **Mahdzir bin Othman**

Independent Non-Executive Chairman

Mahdzir bin Othman, a Malaysian male, aged 53, is our Independent Non-Executive Chairman. He has more than 30 years of working experience in asset management as well as accounting and finance. He was appointed to our Board on 6 August 2021.

He holds a Diploma in Accountancy obtained from Institut Teknologi MARA, Shah Alam (now known as Universiti Teknologi MARA) in 1989 and Bachelor of Science in Finance obtained from Northern Illinois University, USA in 1994.

Upon graduation in 1989, he briefly joined Kassim Chan & Co. from June 1989 to September 1989 as an Audit Trainee, where he assisted on external auditing works. In November 1989, he joined Berjaya Singer (M) Sdn Bhd as an Internal Auditor to conduct internal audit works on the company's operations. He then furthered his studies in USA in June 1992. Upon returning to Malaysia, he joined BBMB Unit Trust Management Sdn Bhd in July 1994 as an Investment Officer where he was mainly involved in conducting research analysis on public listed companies. In June 1995, he joined Utama Wardley Berhad (subsequently known as Utama Merchant Bank Berhad) as an Assistant Manager in the Portfolio Management division, where he was involved in the planning, formulating investment strategies and reporting of clients' investment portfolio. He was subsequently reassigned to the position of Assistant Manager in the Corporate Finance division in July 1999, where he was involved in the corporate finance advisory services. In November 2000, he joined SBB Asset Management Sdn Bhd as its Investment Manager, where he was part of the investment team involved in the investment portfolio management of the company's clients as well as structuring and formulating of new investment products or mutual funds.

In February 2003, he joined Valuecap Sdn Bhd (a Government linked investment company) as a Portfolio Manager where he was involved in the execution of investment plans and strategies. He was then promoted as the Chief Investment Officer in 2006, where he oversaw the investment department operations as well as ensuring that the company's investment portfolio objectives and targets are met.

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

In December 2010, he was seconded to Valuecap Sdn Bhd's wholly-owned subsidiary, namely i-VCAP Management Sdn Bhd, where he served as its Chief Executive Officer. He was mainly responsible in building the company's visibility and assets under management. This included ensuring the achievement of operational and financial performance as well as charting the company's strategic business plan through development and promotion of new and existing investment products whilst also overseeing the formulation and implementation of investment strategies.

In August 2017, he joined Bursa Malaysia Berhad and served as its Director of the Securities Market division. During his tenure there, he was responsible for overseeing the business functions and market development of products listed on the Malaysia's stock exchange. His areas of coverage include marketing of initial public offerings and listed products, as well as promotional activities of the exchange to the investing public with the goal to increase the stock market's vibrancy. He then left Bursa Malaysia Berhad in August 2020 to pursue his personal advisory and investment interests as a freelance management consultant. In October 2021, he joined CGS-CIMB Securities Sdn Bhd as Head of Business Development for its Wealth Management department, where he is in charge in driving the unit's business and market growth strategies.

He currently serves as Director and is a shareholder for a number of private companies, details of which are set out in Section 5.2.3(a).

(b) Ang Lee Leong

Managing Director, Promoter and substantial shareholder

Ang Lee Leong, a Malaysian male, aged 54, is our Managing Director. He has more than 36 years of experience in the industrial hardware and industrial brushes business. He was appointed to our Board on 10 November 2020. He is responsible for our Group's day-to-day operations (manufacturing segment), strategy, corporate affairs and overseeing the overall management.

He completed his secondary school education at Sekolah Menengah Sultan Yussof, Batu Gajah, Perak in 1985. He then started his first job at Federal Machinery and Industrial Supply in February 1986 as a Sales Representative, where he was responsible in selling industrial hardware products such as industrial valve, spare parts and tools to customers within the Perak state. His tenure with Federal Machinery and Industrial Supply allowed him to gain valuable hands-on sales experience and knowledge as well as access to business networks within the industrial supplies trading and distribution business. He then left Federal Machinery and Industrial Supply in March 1992 and established a partnership business in the trading of industrial hardware and machinery parts via YLMIS with Chong Yoke Choong. In 2000, he established YLPM (previously known as YL Easy Control Sdn Bhd) venturing into the manufacturing of industrial brushes. He subsequently established YLPH in 2001 and continued to spearhead our Group's business.

As at the LPD, he does not hold directorships and shareholdings in any other companies.

(c) Chee Wai Ying

Executive Director, Promoter and substantial shareholder

Chee Wai Ying, a Malaysian female, aged 51, is our Executive Director. She has more than 21 years of experience in the industrial hardware and industrial brushes business. She was appointed to our Board on 1 September 2021. She is responsible for overseeing all matters pertaining to our Group's administrative and human resource matters. She completed her secondary school education at Sekolah Menengah Kebangsaan Seri Puteri, Ipoh, Perak in 1989.

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

In July 1990, she was attached with Maraex (M) Sdn Bhd as their General Administrative Clerk, where she was responsible for performing administrative and clerical tasks for the company. She then left Maraex (M) Sdn Bhd in October 1991 to join Everwin Plastic Sdn Bhd as their General and Production Planner Clerk, where she was responsible for reviewing the production schedule and providing administrative support activities for the company.

In April 1994, she became the Sales Representative at JCS Golf Enterprise Sdn Bhd, where she was responsible for the sales and marketing of the company's products. In March 1996, she left JCS Golf Enterprise Sdn Bhd to join YLMIS and assisted Ang Lee Leong in its day-to-day operational activities. In 2000, she joined YLPM as its Executive Director where she oversees its administrative and human resource matters. Subsequently, in 2001, she joined YLPH as its Executive Director, where she also oversees its overall administrative and human resource matters.

As at the LPD, she does not hold directorships and shareholdings in any other companies.

(d) Ang Lee Seng
Executive Director, Promoter and substantial shareholder

Ang Lee Seng, a Malaysian male, aged 47, is our Executive Director. He has more than 29 years of experience in the industrial hardware business. He was appointed to our Board on 1 September 2021. He is responsible for overall sales and marketing activities for our trading segment including developing as well as executing sales strategy, managing customer relationship as well leading the sales team at YLPH (i.e. our trading segment). The day-to-day operations at the Klang Sales Office are currently being managed by a Sales Manager. Ang Lee Seng will travel to the Klang Sales Office to oversee its operations as and when required. The same arrangement will also continue upon the relocation to the New Office. He pursued his secondary school education until Form Three (3) at Shen Jai High School, Ipoh, Perak in 1991.

He then went to Singapore and performed several jobs in the food and beverage industry there before returning to Malaysia in 1992. He then joined YLMIS in January 1993 as its Sales and Purchasing Manager and was responsible for expanding the sales activities of YLMIS. He then assumed the position as Executive Director of YLPH on 7 November 2001, a position he has since held.

As at the LPD, he does not hold directorships and shareholdings in any other companies.

(e) Ang Poh Yee
Executive Director cum Chief Operating Officer

Ang Poh Yee, a Malaysian female, aged 25, is our Executive Director cum Chief Operating Officer. She has 2 years of experience in the industrial brushes business. She was appointed to our Board on 1 September 2021. She reports to our Managing Director and is responsible for implementing our Group's manufacturing segment's marketing and planning, management and business development strategies as well as assists our Managing Director in the day-to-day operations for our manufacturing segment. She obtained her Bachelor of Business Administration in Marketing and Management from Northwood University, USA in 2019.

Since joining YLPM in 2019, she underwent rotations through various departments including purchasing, sales and marketing and production departments, which allowed her to gain exposure and experience in the entire spectrum of the industrial brush manufacturing operations. She was later promoted to Assistant Sales and Marketing Manager in 2020, where she was responsible for assisting in the sales operations of the company. She assumed her current responsibilities in September 2021.

As at the LPD, she does not hold directorships and shareholdings in any other companies.

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

(f) **Lim See Tow** *Independent Non-Executive Director*

Lim See Tow, a Malaysian female, aged 46, is our Independent Non-Executive Director. She has more than 7 years of working experience in accounting and finance as well as 15 years of working experience in property development. She was appointed to our Board on 6 August 2021. She is the Chairperson of our Audit and Risk Management Committee as well as a member of our Remuneration Committee and Nomination Committee.

She graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 1999. She became a fellow member of Association of Chartered Certified Accountant in 2003. She is a chartered accountant and has been a member of the Malaysian Institute of Accountants since 2003.

In 1999, she began her career as an Audit Assistant in Deloitte KassimChan (now known as Deloitte PLT). She was involved in the financial audit for companies spanning various industries. During her tenure in Deloitte KassimChan, she held several positions and she was an Audit Senior responsible for leading a group of auditors in conducting financial audit, audit planning and financial due diligence, before she left in 2003.

In 2003, she joined Debut Supreme Capital Sdn Bhd and was transferred to TAP Partners Sdn Bhd in 2004 as a Consultant. Over the years, she has held several positions in TAP Partners Sdn Bhd and was involved in the project management for clients' corporate exercises including initial public offerings, merger and acquisitions, reverse takeovers, fund raising and corporate restructuring exercises. She also advised clients on matters pertaining to improvements of their operational management and corporate governance practices. In 2005, she was seconded to Antah Holdings Berhad as Head of Finance and Special Project, where she was in charge of the restructuring exercise of Antah Holdings Berhad prior to the reverse takeover by Sino Hua-An International Berhad in 2007. She was an Associate Director in TAP Partners Sdn Bhd before she left in 2006. She continued her engagement with Antah Holdings Berhad as Head of Finance and Special Project in her individual capacity until the completion of the company's restructuring exercise in 2007.

Upon leaving TAP Partners Sdn Bhd in 2006, she joined Clear Water Developments Sdn Bhd as its Chief Operating Officer and has since held the position to-date. Her responsibilities include overall operations management and planning of property development projects, including feasibility studies, land purchase negotiation, project design and conceptualisation, appointment of contractors as well as strategising marketing and pricing strategies.

On 18 January 2008, she was appointed as the Independent Non-Executive Director of Sino Hua-An International Berhad (now known as Techna-X Berhad), a company listed on the Main Market of Bursa Securities. On 15 June 2020, she was appointed as the Independent Non-Executive Director of Mobilia Holdings Berhad, a company listed on the ACE Market of Bursa Securities. On 9 September 2021, she was appointed as the Independent Non-Executive Director of Seng Fong Holdings Berhad (an investment holding company where its subsidiaries are principally involved in the trading of natural rubber of various products).

She currently serves as the Independent Non-Executive Director of Seng Fong Holdings Berhad, Independent Non-Executive Director of Mobilia Holdings Berhad and Independent Non-Executive Director of Techna-X Berhad. In addition, she is also the director and shareholder for a number of private companies, details of which are disclosed in Section 5.2.3(d).

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

(g) Andrew Yaw Mun Keng
Independent Non-Executive Director

Andrew Yaw Mun Keng, a Malaysian male, aged 56, is our Independent Non-Executive Director. He has more than 28 years of working experience in the banking and finance industry in Malaysia. He was appointed to our Board on 6 August 2021. He is the Chairperson of our Nomination Committee as well as a member of our Audit and Risk Management Committee and Remuneration Committee.

He obtained a Bachelor of Arts (Honours) in Business Studies from Middlesex University Business School, UK, in 1989.

In 1991, he joined RHB Securities Sdn Bhd ("**RHB Securities**") as an Officer with the Settlement Division, where he was involved in handling foreign institution clients and procedures for foreign stock exchanges settlement. Within the same year, he was promoted to Senior Executive of the Issuance division of RHB Securities, where he was responsible for overseeing scripts issuance whilst also maintaining overall control of foreign institutions' client base settlement process and procedures. In January 1994, he was reassigned as an Inter-broking Dealer of RHB Securities, serving the inter-broking clients based in Singapore, Hong Kong, London and New York. In addition, he also executes and coordinates programme trades with various institutional clients. He was then promoted to Manager of Dealing Division in June 1995, where he was responsible for performing sales and program trading. He left RHB Securities in March 1998 to join AM Investment Bank Berhad as their Senior Manager of institutional business department, where he was mainly responsible for managing and supervising a team of paid dealer representatives as well as executing and handling relationship accounts. He then left AM Investment Bank Berhad in July 2004, with his last position held as its Assistant General Manager.

Between August 2004 to March 2007, he was attached with RHB Investment Bank Berhad as their Head of Interbroke / General Manager of Sales and Trading division. His main responsibilities involve servicing mainly foreign global investment banking clients, coordinating business plans and order routing system to develop and enhance the brokerage business segment. In April 2007, he joined Hong Leong Investment Bank Berhad as their General Manager / Head of Retail and Front Office Management (Stock Broking division), where he was responsible for improving the bank's overall retail revenue, managing the firm's foreign inter-broke business and coordinating investment banking activities and business plans.

In August 2010, he left Hong Leong Investment Bank Berhad to serve as the Head of Dealing (Stock Broking division) at EON Banking Group (now known as Hong Leong Bank Berhad), where he manages the entire stock broking services of the banking group. He was then assigned as the Senior Vice President for MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad), where he was in charge of rebranding the bank's internet trading portal, revamping bank branches' broking channel as well as product development and back office replacement initiatives. He then left MIMB Investment Bank Berhad in May 2012 to join Alliance Investment Bank Berhad in June 2012, serving as their Senior Vice President cum Head of Equity Markets for the financial group, where he was involved in enhancing the efficiency of all of the financial group's equity trading branches as well as channel distribution and operations of their equity business through innovative and differentiated offerings.

He then left Alliance Investment Bank Berhad in July 2017 to serve as an Executive Vice President at Merchantrade Asia Sdn Bhd, where he handled regulatory correspondences with regulatory authorities, monitoring the performance of the remittances business activities and deploying business strategies. He left Merchantrade Asia Sdn Bhd in October 2018 and joined PM Securities Sdn Bhd as their Chief Executive Officer and Executive Director, where he was

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

responsible for the firm's overall performance. He left PM Securities Sdn Bhd in September 2019 and has since retired.

He does not hold directorships and shareholdings in any other companies since his retirement in September 2019 up to the LPD.

(h) Andrea Huong Jia Mei
Independent Non-Executive Director

Andrea Huong Jia Mei, a Malaysian female, aged 39, is our Independent Non-Executive Director. She has more than 17 years of working experience in the accounting, finance and corporate secretarial services industry in Malaysia. She was appointed to our Board on 6 August 2021. She is the Chairperson of our Remuneration Committee as well as a member of our Audit and Risk Management and Nomination Committee.

She completed her Diploma in Commerce (Financial Accounting) in 2003 and obtained an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman College. She has been a member of the Malaysian Institute of Accountants since 2018 and a fellow member of the Association of Chartered Certified Accountants since 2011.

She started her career as an Audit Assistant with Sha, Tan & Co, in 2005 where she was responsible for audit in accordance with approved audit plans and programs. Subsequently, she was promoted to Audit Semi-Senior in 2007, where she carried out auditing work, account analysis and reconciliations involving clients in various industries. In 2008, she was promoted to Audit Senior, where her responsibilities include analysing engagement risk areas and completing the consolidation for a group of companies including public listed companies. Thereafter, she left Sha, Tan & Co, with her last held position as an Audit Senior, and was subsequently appointed as a Director of T&S Secretarial Services Sdn Bhd in 2014, a company involved in company secretarial services. In 2020, she was appointed as a Director of T&S Boardroom Sdn Bhd, a corporate secretarial support services company and has since held the same position to-date. Her role includes organising Board Committee meetings, carrying out corporate exercises as well as liaising with auditors on behalf of clients in private companies and public companies listed on Bursa Securities. She resigned from T&S Secretarial Services Sdn Bhd in March 2021.

On 24 June 2021, she was appointed as the Independent Non-Executive Director of SIAB Holdings Berhad, a company listed on the ACE Market of Bursa Securities. On 2 August 2021, she was appointed as the Independent Non-Executive Director of Ecoscience International Berhad. On 8 October 2021, she was appointed as the Independent Non-Executive Director of Unique Fire Holdings Berhad.

She currently serves as the Independent Non-Executive Director of Ecoscience International Berhad, SIAB Holdings Berhad and Unique Fire Holdings Berhad. She is also a Director and shareholder for a number of private companies, details of which are set out in Section 5.2.3(f).

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5. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS 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 the LPD:

(a) Mahdzir bin Othman

Present involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held (As at the LPD)	
					Direct	Indirect
Deltaspec Manufacturing (M) Sdn Bhd	Dormant, intended for trading of engineering equipment	-	-	-	12.0	(1)88.0
CGS-CIMB Wealth Management Sdn Bhd (a wholly-owned subsidiary of CGS-CIMB Securities Sdn Bhd)	Presently dormant. It was previously involved in providing research services for securities and other financial related instruments. Its intended principal activities are in the of provision of research services in stocks, futures, options and other financial-related instruments	Director	10 January 2022	-	-	-

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than as a director
I-Vcap Management Sdn Bhd	Islamic fund management activities	Director	13 December 2010	13 August 2017	-
Malaysian Investor Relations Association Berhad	To carry out such activities and functions, and to provide services relating to and for purposes of advancing, improving and promoting investor relations in Malaysia	Director	20 September 2017	29 September 2020	-

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

Note:

- (1) Deemed interested by virtue of the shareholdings of his siblings pursuant to Section 8 of the Act.

(b) Ang Lee Leong

Past involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than as a director
Dawn Property Management Sdn Bhd	Property management, housing development and investment in lands and shares. The company has been dissolved on 8 June 2018.	Director	8 October 2007	19 March 2009	⁽¹⁾ Shareholder with 12.5% equity interest

Note:

- (1) The nature of Ang Lee Leong's interest in the company was his 12.5% shareholding in Dawn Property Management Sdn Bhd up till the date of the dissolution on 8 June 2018.

(c) Chee Wai Ying

Past involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than as a director
Fukuyama Automation Sdn Bhd	It was previously involved in manufacturing of machinery and apparatus for peeling off thin film materials and related items. The company has been dissolved on 29 June 2017.	Director	7 March 2011	⁽¹⁾ -	⁽¹⁾ Shareholder with 33.3% equity interest

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

Note:

- (1) She has ceased to be the director and shareholder of Fukuyama Automation Sdn Bhd with the dissolution of the company on 29 June 2017.

(d) Lim See Tow

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held (As at the LPD)	
					Direct	Indirect
Seng Fong Holdings Berhad	Investment holding company. Its subsidiaries are principally involved in the trading of natural rubber of various grades	Independent Non-Executive Director	9 September 2021	-	-	-
Mobilia Holdings Berhad	Investment holding company listed on the ACE Market of Bursa Securities. Its subsidiaries are principally involved in the design, manufacturing and sale of furniture and furniture parts	Independent Non-Executive Director	15 June 2020	-	-	-
Project Hea Sdn Bhd	Manufacturing, marketing, distributing and retailing of health-based products and related goods	Director	1 July 2014	-	50.0	-
Techna-X Berhad	Investment holding company listed on the Main Market of Bursa Securities. Its subsidiaries are involved in the manufacturing and sale of metallurgical coke and other related by-products	Independent Non-Executive Director	18 January 2008	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held (As at the LPD)	
					Direct	Indirect
Be Urban Wellness Sdn Bhd	Principally engaged in beauty, wellness, health therapy and nutraceutical products and services	-	-	-	99.9	-
<u>Past involvements</u>						
Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than as a director	
Ploy Sdn Bhd	Food, beverage and restaurant services	-	-	-	⁽¹⁾ Shareholder with 50.0% equity interest	
Clear Water Hospitality Sdn Bhd	Property management services	-	-	-	⁽²⁾ Shareholder with 50.0% equity interest	
Clearwater Xperience Sdn Bhd	Dormant, intended to be an investment holding company involved in food, beverage and restaurant services	Director	23 October 2020	1 March 2022	⁽³⁾ Shareholder with 50.0% equity interest	
Clear Water Development Sdn Bhd	Property development	Director	18 February 2008	12 October 2019	-	
Clearwater Management Sdn Bhd	Principally engaged in car park rental management	-	-	-	⁽⁴⁾ Shareholder with 50.0% equity interest	
Project M Media Sdn Bhd	Principally engaged in retailing, distributing and supplying of garments, apparels and accessories	Director	11 October 2012	3 July 2018	-	
Taska Riang Cemerlang Sdn Bhd	Provision of educational services	Director	27 June 2016	10 December 2019	-	

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than as a director
CS Global Consultancy (M) Sdn Bhd	Purchasing and leasing for audio visual system as well as providing services in relation to event and promotion. The company has been dissolved on 3 August 2020	Director	29 December 2009	(5)-	(5)Shareholder with 33.0% equity interest

Notes:

- (1) She has ceased to be the shareholder of Ploy Sdn Bhd on 30 March 2022.
- (2) She has ceased to be the shareholder of Clear Water Hospitality Sdn Bhd on 23 March 2022.
- (3) She has ceased to be the shareholder of Clearwater Xperience Sdn Bhd on 21 March 2022.
- (4) She has ceased to be the shareholder of Clearwater Management Sdn Bhd on 20 December 2021.
- (5) She has ceased to be the director and shareholder of CS Global Consultancy (M) Sdn Bhd with the dissolution of the company on 3 August 2020.

(e) Andrew Yaw Mun Keng

Past involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than director
Alliance Trustee Berhad	Trustee services	Director	9 April 2013	30 June 2017	-
AIBB Nominees (Tempatan) Sdn Bhd	Nominee company. The company has been dissolved on 11 April 2018.	Director	29 August 2013	(1)-	-
AIBB Nominees (Asing) Sdn Bhd	Nominee company. The company has been dissolved on 6 October 2017.	Director	29 August 2013	(2)-	-
PM Securities Sdn Bhd	Engaged in the business of stockbroking and corporate advisory services	Director	13 February 2019	7 September 2019	-

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

Notes:

- (1) He has ceased to be the director of AIBB Nominees (Tempatan) Sdn Bhd with the dissolution of the company on 11 April 2018.
 (2) He has ceased to be the director of AIBB Nominees (Asing) Sdn Bhd with the dissolution of the company on 6 October 2017.

(f) Andrea Huang Jia Mei

Present involvements

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held (As at the LPD)	
					Direct	Indirect
Unique Fire Holdings Berhad	Investment holding company. Its subsidiaries are principally involved in assembly, manufacturing and distribution of active fire protection systems, equipment and accessories for the built environment	Director	8 October 2021	-	-	-
T&S Governance Sdn Bhd	Internal audit advisory services	Director	5 October 2021	-	100.0	-
Ecoscience Berhad	Investment holding company currently seeking for a potential listing on the ACE Market of Bursa Securities. Its subsidiaries are principally involved in construction of plants and facilities, fabrication of equipment as well as supply of materials and equipment	Independent Non-Executive Director	2 August 2021	-	-	-
SIAB Holdings Berhad	Investment holding company listed on the ACE Market of Bursa Securities. Its subsidiaries are principally involved in the building construction services	Independent Non-Executive Director	24 June 2021	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held (As at the LPD)	
					Direct	Indirect
T&S Boardroom Sdn Bhd	Secretarial support services	Director	30 July 2020	-	100.0	-
AK Bizz Platform Sdn Bhd	Business management, consultancy services accounting, bookkeeping and auditing activities and tax consultancy	Director	9 March 2020	-	100.0	-
Sha Tax Services Sdn Bhd	Providing taxation, accounting and corporate management services	Director	10 June 2018	-	-	-
T&S Advisors Sdn Bhd	Consultancy services	Director	18 September 2014	-	35.0	-
KK Sha Consulting Sdn Bhd	Providing goods and services tax, accountancy and corporate management services	Director	24 October 2014	-	50.0	-

Past involvement

Company	Principal activities	Position held	Date of appointment	Date of resignation	Involvements other than director
T&S Secretarial Services Sdn Bhd	Secretarial and management services	Director	3 September 2014	12 March 2021	⁽¹⁾ Shareholder with 35.0% equity interest

Note:

(1) She has since ceased to be a shareholder of T&S Secretarial Services Sdn Bhd on 8 June 2021.

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

As at the LPD, the directorships of our Directors in other listed companies are in compliance with Rule 15.06 of the Listing Requirements. Our Executive Directors are not involved in any business activities outside the Group. The involvement of our Independent Non-Executive Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Independent Non-Executive Directors in other business activities outside our Group will not affect their contributions to our Group as they only attend Board meetings to provide oversight and check-and-balance to our Group's affairs. Their roles are to ensure that our Group have the proper corporate governance in conducting our business activities from time to time.

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 (including Ang Lee Leong, Chee Wai Ying and Ang Lee Seng, who are also our Promoters and substantial shareholders) for services rendered in all capacities to our Group for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 are as follows:

	Directors' fees	Salaries	Bonuses	Other emoluments	(1)Statutory contributions	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 2019							
Ang Lee Leong	-	624	-	-	121	24	769
Chee Wai Ying	-	138	-	-	27	11	176
Ang Lee Seng	-	158	-	-	31	13	202
Ang Poh Yee	-	21	-	-	3	-	24
FYE 2020							
Ang Lee Leong	-	654	22	-	130	24	830
Chee Wai Ying	-	159	14	-	34	12	219
Ang Lee Seng	-	179	16	-	38	16	249
Ang Poh Yee	-	48	-	-	5	-	53
FYE 2021							
Mahdzir bin Othman	-	-	-	1	-	-	1
Ang Lee Leong	-	684	57	3	143	24	911
Chee Wai Ying ⁽³⁾	-	234	24	-	50	17	325
Ang Lee Seng ⁽³⁾	-	254	26	-	54	27	361
Ang Poh Yee ⁽³⁾	-	108	24	1	17	3	153
Lim See Tow	-	-	-	1	-	-	1
Andrew Yaw Mun Keng	-	-	-	1	-	-	1
Andrea Huong Jia Mei	-	-	-	1	-	-	1
Proposed for FYE 2022							
Mahdzir bin Othman	⁽²⁾ 35	-	-	-	-	-	⁽²⁾ 35
Ang Lee Leong	-	904	⁽⁴⁾ -	-	174	25	1,103
Chee Wai Ying ⁽³⁾	-	364	⁽⁴⁾ -	-	70	17	451
Ang Lee Seng ⁽³⁾	-	384	⁽⁴⁾ -	-	74	24	482
Ang Poh Yee ⁽³⁾	-	184	⁽⁴⁾ -	-	23	8	215
Lim See Tow	⁽²⁾ 28	-	-	-	-	-	⁽²⁾ 28
Andrew Yaw Mun Keng	⁽²⁾ 28	-	-	-	-	-	⁽²⁾ 28
Andrea Huong Jia Mei	⁽²⁾ 28	-	-	-	-	-	⁽²⁾ 28

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

Notes:

- (1) Including contributions to Employee Provident Fund, SOCSO and Employment Insurance System.
- (2) Mahdzir bin Othman, Lim See Tow, Andrew Yaw Mun Keng and Andrea Huang Jia Mei were appointed to our Board on 6 August 2021. These Independent Non-Executive Directors are not entitled to any fees until after our Listing. Their monthly fees are as follows:

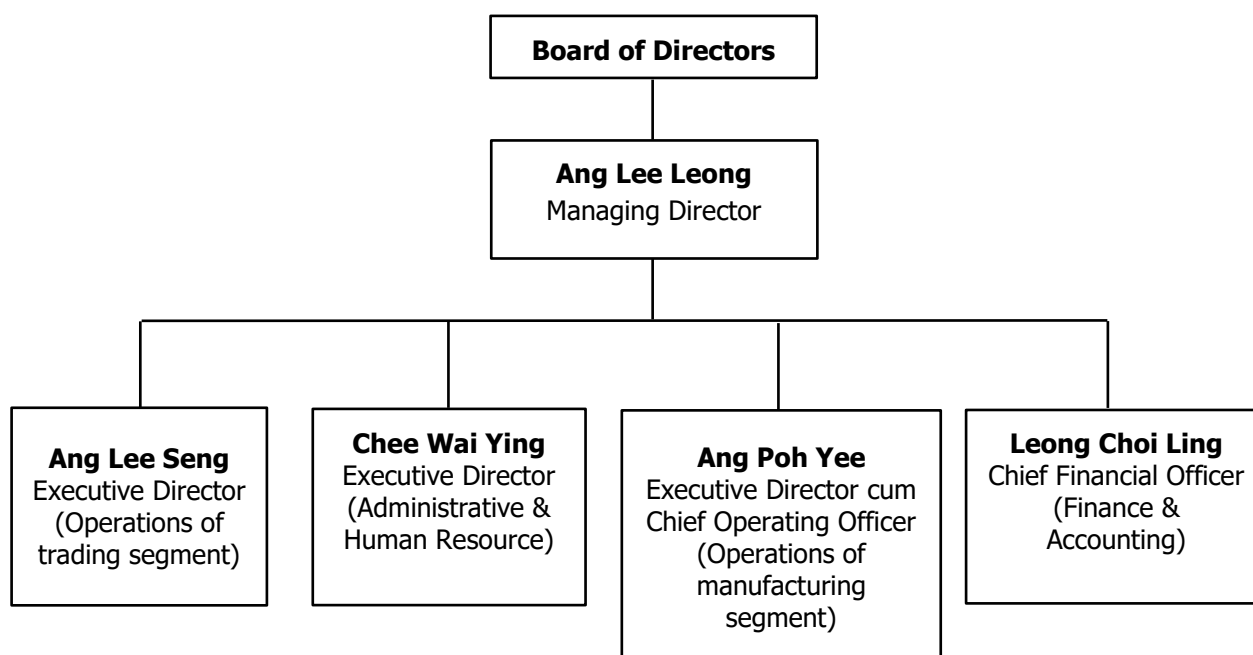
Directors	RM
Mahdzir bin Othman	5,000
Lim See Tow	4,000
Andrew Yaw Mun Keng	4,000
Andrea Huang Jia Mei	4,000

- (3) Chee Wai Ying, Ang Lee Seng and Ang Poh Yee were appointed to our Board on 1 September 2021.
- (4) The bonuses for the FYE 2022 are not included. Such bonuses, if any, 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 and shareholders. 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, DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (*cont'd*)

5.3.2 Key senior management shareholdings

The shareholdings of our key senior management (namely Leong Choi Ling) before and after our IPO assuming she fully subscribes for her 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	%
Leong Choi Ling	Chief Financial Officer / Malaysian	-	-	-	-	1,000,000	0.2	-	-

Notes:

- (1) Based on our enlarged issued share capital of 532,435,600 Shares after our IPO.
- (2) Assuming Leong Choi Ling will fully subscribe for her entitlement under the Pink Form Allocations.

5.3.3 Profile of key senior management

The profile of our key senior management is as follows:

Leong Choi Ling *Chief Financial Officer*

Leong Choi Ling, a Malaysian female, aged 47, is our Chief Financial Officer. She has more than 21 years of working experience in accounting and finance industry. She is responsible for overseeing our Group's financial management and accounting functions.

She completed the examinations of the Association of Chartered Certified Accountants in 1997 and was admitted as a member of the Association of Chartered Certified Accountant in 2005. She is also a registered member of the Malaysian Institute of Accountants since 2006.

She joined BDO Binder in 1997 as an Audit Assistant after completing her Association of Chartered Certified Accountants program, where she was involved in statutory audit works on private and public listed companies. She then left the firm in 1998 and rejoined in 1999 where she remained her previous position. She then joined M F Chai & Co as an Audit Semi-Senior in 2000, where she was involved in handling various audit assignments. From 2001 to 2003, she was attached to Lion Industries Corporation Berhad as its Tax Executive, where she was responsible for overseeing the company's tax matters. She left Lion Industries Corporation Berhad in May 2003. Between June 2003 and July 2006, she took a career break to attend to personal family matters.

In August 2006, she joined Kumpulan Awan Sdn Bhd as its Management Accountant, where she was responsible for the daily finance and accounting functions including, preparing and maintaining financial and management reports, as well as handling tax matters of the company. She then left Kumpulan Awan Sdn Bhd and joined Perak Textile Mills Sdn Bhd from 2007 to 2009 as its Accounting Section Manager, where she was mainly responsible for preparing the company's operation budgets and cash flow management. In 2009, she joined Rimbun Teratai Sdn Bhd (a subsidiary of Global Gold Holding Limited), as their Accountant, where she was responsible for all the spectrum of accounting functions within the accounting departments for regional group of companies.

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

She then left Rimbun Teratai Sdn Bhd in 2012 to join K-One Technology Berhad as the Group Finance Manager. She remained with K-One Technology Berhad and was promoted several times before leaving the company in 2017. Her last position with the company was Finance Director, where she was mainly responsible for coordinating audit functions of the company to ensure regulatory compliance, monitoring financial and cash flow forecast and budget. She then joined CE Technology Berhad in May 2017 as their Financial Controller, where she was responsible for overseeing the company's financial, taxation and audit functions. She then joined Norma Products (Malaysia) Sdn Bhd between June 2018 to October 2018 as their Financial Controller, where she was responsible for preparing the financial analysis and review monthly cash flow forecast of the company. In December 2018, she joined Family Cereal Sdn Bhd as their Chief Finance Officer, where she was responsible for overseeing its financial management and preparation for its proposed listing exercise. She subsequently resigned from Family Cereal Sdn Bhd in April 2019. Between May 2019 and September 2020, she took a career break from work to attend to personal matters. She subsequently joined our Group and assumed her current position in October 2020.

As at the LPD, she does not hold any directorships and shareholdings in any other companies.

5.3.4 Principal business performed outside our Group

None of our key senior management has any other principal directorships and/or principal business activities performed outside our Group in the past 5 years up to the LPD.

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 FYE 2020 and FYE 2021 are as follows:

	(in bands of RM50,000)		
	⁽¹⁾Remuneration	Benefits-in-kind	Total
	RM'000	RM'000	RM'000
<u>FYE 2020</u>			
Leong Choi Ling	0 - 50	0 - 50	50 - 100
<u>FYE 2021</u>			
Leong Choi Ling	150 - 200	0 - 50	150 - 200
<u>Proposed for FYE 2022</u>			
Leong Choi Ling	200 - 250	-	200 - 250

Note:

- (1) This includes salaries, allowances as well as other benefits. The bonuses for the FYE 2022 are not included. The determination factors for the bonus to be paid in FYE 2022 shall include the efficiency level of our Group's financial management and accounting functions as well as the financial performance of our Group.

The remuneration for our key senior management shall be subjected to the Remuneration Committee's review and recommendation and subsequently, to be approved by our Board.

5. INFORMATION ON PROMOTERS, DIRECTORS, SUBSTANTIAL SHAREHOLDERS 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 in the industrial brushes 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:

- (a) review and approve the annual corporate plan for our Group, which includes the overall corporate strategy, sustainability strategy, business development and marketing plan, human resources plan, financial plan, budget, regulatory plan and risk management plan;
- (b) review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;
- (c) oversee the conduct of our Group's businesses to evaluate whether the businesses are being properly managed;
- (d) to ensure that our Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- (e) identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (f) approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and the Principal Officers, and the annual manpower budget for our Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- (g) approve the appointment, resignation or removal of Company Secretaries of our Company;
- (h) develop and implement an "investor relations programme" or "shareholder communications policy" for our Group, where necessary;
- (i) review the adequacy and integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, the Act, and the Listing Requirements);
- (j) review and approve the financial statements encompassing annual audited accounts and quarterly reports, dividend policy, credit facilities from financial institutions and guarantees;
- (k) review and approve the Audit Committee Report and Statement of Risk Management and Internal Control for the Annual Report;

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

- (l) prepare a Corporate Governance Overview Statement in compliance with the Malaysia Code of Corporate Governance for the Annual Report;
- (m) review and approve investment policies and guidelines for our Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
- (n) review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters;
- (o) approve the appointment of external auditors and fix their related audit fees; and
- (p) initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.

Our Board is also mindful of the importance of building a sustainable business, and therefore takes into consideration the environmental, social and governance impact when developing the corporate strategy of our Group. The Board also ensures that our Company participates and undertakes activities in corporate social responsibilities.

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:

Names	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
Mahdzir bin Othman	6 August 2021	All Directors shall retire at the first AGM	< 1
Ang Lee Leong	10 November 2020	All Directors shall retire at the first AGM	> 1
Ang Lee Seng	1 September 2021	All Directors shall retire at the first AGM	< 1
Chee Wai Ying	1 September 2021	All Directors shall retire at the first AGM	< 1
Ang Poh Yee	1 September 2021	All Directors shall retire at the first AGM	< 1
Lim See Tow	6 August 2021	All Directors shall retire at the first AGM	< 1
Andrew Yaw Mun Keng	6 August 2021	All Directors shall retire at the first AGM	< 1
Andrea Huong Jia Mei	6 August 2021	All Directors shall retire at the first AGM	< 1

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

Note:

- (1) In accordance with our Constitution, at the first annual general meeting of our Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of directors shall take place each year.

The members of our Board are set out in Sections 5.1 and 5.2.

5.4.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee has been established on 22 September 2021. The main functions 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:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) to oversee and recommend the risk management policies and procedures of our Group;
- (e) 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;
- (f) to implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (g) to set reporting guidelines for our Management to report to the committee on the effectiveness of our Group's management of its business risks;
- (h) to review the risk profile of our Group and to evaluate the measure taken to mitigate the business risks;

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

- (i) 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;
- (j) 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 conducts its business and affairs;
- (k) to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all our stakeholders;
- (l) to consider the major findings of internal investigations and our Management's response;
- (m) to do the following, in relation to the internal audit function:
 - (i) consider and approve the appointment of internal auditors, internal audit fee and any question of resignation or dismissal;
 - (ii) 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;
 - (iii) 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;
 - (iv) consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings;
 - (v) review and decide on the budget allocated to the internal audit function;
 - (vi) appraise or assess the performance of members of the internal audit function; and
 - (vii) monitor the overall performance of our Company's internal audit function.
- (n) to ensure resources and processes are in place to enable the organization to achieve its sustainability commitments and targets; and
- (o) 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
Lim See Tow	Chairperson	Independent Non-Executive Director
Andrew Yaw Mun Keng	Member	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director

5.4.3 Remuneration Committee

Our Remuneration Committee has been established on 22 September 2021. The main functions 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 duties and responsibilities of our Remuneration Committee include the following:

- (a) review and recommend to our Board the framework of remuneration of the Executive Directors and key senior management (if any), taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in selected group of comparable companies;

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

- (b) review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for Executive Directors, Principal Officers and/or Senior Management (if any) depending on various performance measurements of the Group;
- (c) review and determine the other benefits in kind including but not limited to salary, bonuses, allowances, other emoluments for the Executive Directors, Principal Officers and/or Senior Management (if any);
- (d) review and make recommendations to our Board in respect of fees and benefits payable to the Non-Executive Directors; fees and any non-contractual benefits payable to the Executive Directors (if any), and any compensation for loss of employment of an Executive Director or former Director of the Group (if any) shall be approved at the General Meeting;
- (e) review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice;
- (f) recommend the engagement of external professional advisors to assist and/or advise the Committee and our Board, on remuneration matters, where necessary; and
- (g) provide a report summarising its activities for the year in compliance with the Malaysia Corporate Governance Code, Listing Requirements and any relevant regulations.

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
Andrea Huang Jia Mei	Chairperson	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director
Andrew Yaw Mun Keng	Member	Independent Non-Executive Director

5.4.4 Nomination Committee

The Nomination Committee has been established on 22 September 2021. 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 duties and responsibilities of our Nomination Committee include the following:

- (a) undertake an annual review of our Board's succession plans, taking into consideration, the present size, structure and composition of our Board and Board Committees as well as the required mix of skills, experience and competency required and make recommendations to our Board with regard to any adjustments that are deemed necessary;
- (b) facilitate the evaluate the effectiveness of our Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the decision-making process of our Board;
- (c) The Committee shall give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and

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

opportunities facing the company, and the skills and expertise needed on our Board in the future;

- (d) responsible for identifying and make recommendation to our Board on new candidates for election/appointment to our Board or to fill board vacancies as and when they arise;
- (e) ensure that orientation and education programmes are provided for new members of our Board;
- (f) recommend to our Board concerning the re-election/re-appointment of Director to our Board pursuant to the provisions in our Constitution;
- (g) ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of criteria comprising; and
- (h) undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends.

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
Andrew Yaw Mun Keng	Chairperson	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director
Lim See Tow	Member	Independent Non-Executive Director

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

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

- (a) Ang Lee Leong, who is our Managing Director, Promoter and substantial shareholder is the:
 - (i) brother of Ang Lee Seng, our Executive Director, Promoter and substantial shareholder;
 - (ii) spouse of Chee Wai Ying, our Executive Director, Promoter and substantial shareholder; and
 - (iii) father of Ang Poh Yee, our Executive Director cum Chief Operating Officer.
- (b) Chee Wai Ying, who is our Executive Director, Promoter and substantial shareholder is the spouse of Ang Lee Leong, our Managing Director and the mother of Ang Poh Yee, our Executive Director cum Chief Operating Officer;
- (c) Ang Lee Seng, who is our Executive Director, Promoter and substantial shareholder is the brother of Ang Lee Leong, our Promoter, substantial shareholder and Managing Director; and

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

- (d) Ang Poh Yee, who is our Executive Director cum Chief Operating Officer is the daughter of Ang Lee Leong and Chee Wai Ying.

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.

5.7 MANAGEMENT SUCCESSION PLAN

Our future success also depends on our ability to attract and retain skilled personnel. Our strategies to retain our Executive Directors and key management as well as attract new personnel include, amongst others, succession planning and promotion opportunities, attractive remuneration packages and training activities.

Our succession plan consists of:

- (a) selection and recruitment: identifying key competencies and requirements for managerial and key senior positions for succession planning; and identifying potential successor's readiness to facilitate skills transfer so as to ensure smooth running and continuity of the operations of our Group;
- (b) attractive remuneration packages and employee benefits;
- (c) career planning and development: our senior management trains the lower and middle management staff to gradually assume more responsibilities; and
- (d) continuous training and education: our middle management actively participate in discussions and decision-making in various operations of our Group. Such active participation will ensure better understanding of our operations and enable the personnel to equip themselves with the necessary knowledge and skills to succeed in senior management roles.

5.8 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):

- (a) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he/she was a partner or any corporation of which he/she was a director or member of key senior management;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;

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

- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (g) being the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (h) have any unsatisfied judgment against him/her.

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6. INFORMATION ON OUR GROUP

6.1 INCORPORATION AND HISTORY

Our Company was incorporated in Malaysia under the Act on 10 November 2020 as a private limited company under the name of Yew Lee Pacific Group Sdn Bhd. On 25 August 2021, we converted into a public limited company under our present name. We are an investment holding company. Through our subsidiaries and associate company, we are principally involved in the following business activities:

- (a) manufacturing of industrial brushes; and
- (b) trading of industrial hardware and machinery parts.

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.

Background and history of our business

The history of our Group can be traced back to 1992 with the formation of YLMIS, a partnership established by Ang Lee Leong and Chong Yoke Choong, to undertake the trading of industrial hardware and machinery parts at our Ipoh Sales Office. However, in 1993, Chong Yoke Choong decided to leave the partnership and Ang Lee Seng joined YLMIS as our Sales and Purchasing Manager.

Between 1992 and 1999, our business was mainly focused on the trading and supply of industrial hardware and machinery parts to engineering companies within Perak.

In 2000, YLPM (formerly known as YL Easy Control Sdn Bhd) was established to undertake the distribution of measurement and control systems for liquids and gases to rubber gloves manufacturing companies in Peninsular Malaysia.

In 2001, YLPH was established to undertake the trading of industrial hardware and machinery parts business activities. During this period, YLPH has expanded its product offerings which included the distribution of industrial brushes to several rubber gloves manufacturers in Peninsular Malaysia. YLMIS was terminated in April 2010.

In 2004, realising the market potential and demand for industrial brushes by rubber gloves manufacturing companies in Malaysia, YLPM ventured into the manufacturing of industrial brushes to further supplement the trading of industrial hardware and machinery parts.

Over the last 29 years, our Group has grown from a small trader of industrial hardware and machinery parts to become an established manufacturer of industrial brushes in Malaysia.

Our Group has achieved the following milestones:

(a) Manufacturing segment

Since 2001, through YLPH, we have been distributing industrial brushes to gloves manufacturing players. In 2004, we started YLPM's operations in a double-storey shophot unit located at Kawasan Perindustrian Bandar Baru, Ipoh with 2 manufacturing lines. We were able to undertake in-house manufacturing of industrial brushes and further expanded our range of industrial brushes offered to our customers. During this period, we manufactured and distributed industrial brushes such as circular brush and lath brush as well as providing brush reconditioning services of disc brush. We offer cost effective solutions to our customers by providing reconditioning services of industrial brushes, where we replace the worn-out bristles with new bristles on the existing core plates.

6. INFORMATION ON OUR GROUP (cont'd)

In 2006, we relocated our manufacturing operations to a detached factory and office at Kawasan Perindustrian Bandar Baru Menglembu, Ipoh, Perak and expanded to 3 manufacturing lines in order to fulfil the additional demand received for our range of industrial brushes (particularly circular and lath brushes). We also purchased a European-made advance brush making machine which is capable of increasing the manufacturing output for circular and lath brushes.

In 2008, YLPM's QMS was assessed and accredited with ISO 9001:2000 in compliance within the scope of "manufacturing of consumer and industrial brushes" from BSC. This accreditation allowed us to further expand our supply of industrial brushes to other established rubber gloves manufacturing companies in Malaysia and abroad as well as to other industrial manufacturers such as glass and wood manufacturers, agriculture, food processing, E&E contract manufacturers and industrial cleaning industries.

Between 2008 and 2011, we expanded our customer base in the rubber gloves manufacturing industry to include Riverstone Holdings Limited (a rubber gloves manufacturing company listed on the Singapore Exchange with manufacturing facilities in Malaysia) and Integrated SCM Co. Ltd, a subsidiary of D'nonce Technology Berhad and has manufacturing facilities in Thailand. D'nonce Technology Berhad is a company listed on the Main Market of Bursa Securities, where its subsidiaries are principally involved in the manufacturing, sales and distribution of advanced packaging materials, electronic products, chemicals, food related products, spare parts and consumables, contract manufacturer of electronic components as well as property development. We also expanded our range of industrial brushes which includes roller brushes, disc brush and household brushes.

To accommodate for the increase in demand for our industrial brushes, we relocated to the Manufacturing Facilities at Kawasan Perindustrian Pengkalan II, Mukim Perak, Ipoh in 2012. The said Manufacturing Facilities is equipped with new plastic injection moulding machines, which allows us to produce various types of plastic cores for use in our industrial brushes in-house.

Between 2013 and 2016, our manufacturing business segment continued to grow as we continued to secure new orders from established rubber gloves manufacturers in Malaysia, namely Hartalega Group and Careplus Group. We also expanded our range of industrial brushes offerings by providing customised industrial brushes that meets our customers' manufacturing requirements and processes.

In 2016, we have completed the expansion of an additional 44,563 sq ft single storey factory with warehouse building and 3-storey hostel building at our existing Manufacturing Facilities, where we have utilised this expanded space mainly as our current manufacturing and warehouse facilities as well as accommodation for our foreign workers.

In 2017, our QMS accreditation was updated to ISO 9001:2015 under the scope of "manufacturing of consumer and industrial brushes" from BSC.

In 2019, YLPM was awarded the Golden Bull Award 2019 for being an outstanding small and medium enterprise in Malaysia which is a testament to our commitment in delivering quality products and services. Save for this award, we do not have any other awards and recognitions received. In the same year, our Group expanded our presence to Indonesia and Thailand, through the establishment of Yew Lee Indonesia and Yew Lee Thailand as our overseas' sales and marketing office to cover Indonesia and Thailand by having a physical presence to attend to any enquiries made as well as resolve any issues faced by our customers expeditiously.

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

Our trading segment complements our manufacturing of industrial brushes business segment, where we can also cross sell our range of industrial hardware and machinery parts together with our range of industrial brushes, which are used in various stages of our customers manufacturing process/stages. This allows our Group to support our customers by supplying the necessary industrial hardware and machinery parts (including PVC valve fittings, stainless steel valve fittings, solenoid valve, tiger valves, push fitting, pneumatic drive, PUN tubing, ornamental pipes, PVC pipes and schedule pipes) that fulfils their manufacturing or production hardware needs. We have been conducting our trading activities from our Ipoh Sales Office since 1992.

In 2009, YLPH established the Klang Sales Office as our sales and marketing office to better serve our customers in the central region of Peninsular Malaysia.

We carry various industrial hardware and machinery parts sourced from local and foreign suppliers such as Japan, China and Germany. Since 2015, YLPH has been the authorised distributor of Festo, a subsidiary of Festo Corporation Inc., a German based industrial control and automation company, for its range of automation parts in Malaysia. Our top 5 customers for the trading segment during the financial years under review are as follows:

Name of customers	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Top Glove and its group of companies	5,076	5,680	9,580	7,569
Riverstone Holdings Limited	891	795	839	827
Malayan Flour Mills Berhad	350	-	-	-
Malay-Sino Chemical Industrial Berhad	326	455	-	-
Supermax Corporation Berhad and its group of companies	454	432	738	476
PGeo Edible Oils Sdn Bhd	-	228	275	-
Hume Industries Berhad and its group of companies	-	-	342	262
Vale Malaysia Minerals Sdn Bhd	-	-	-	278
Total	7,097	7,590	11,774	9,412

Our business locations

We currently operate at the following locations:

Locations	Functions
<u>Manufacturing Facilities</u> No. 18, Jalan Johan 2/1, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak	Head office, manufacturing and warehouse facilities
<u>Ipoh Sales Office</u> No. 17, Jalan Bijeh Timah, 30000 Ipoh, Perak	Sales and marketing office to cover the northern region of Peninsular Malaysia
<u>Klang Sales Office</u> No. 29, Jalan Mahkota 1/KU2, Mutiara Bukit Raja 2, 41050 Klang, Selangor	Sales and marketing office to cover the central and southern regions of Peninsular Malaysia
<u>Thailand office</u> No. 28, Padang Besar Road, Tambol Padang Besar, Songkhla, 90240 Thailand	Sales and marketing office to cover Thailand

6. INFORMATION ON OUR GROUP (cont'd)

Locations	Functions
Indonesia office	
Cemara Street Number 5, 3 rd Floor (across RM Sederhana Komplek Cemara Asri), Deli Serdang Regency, Sumatera Utara Province, Indonesia	Sales and marketing office to cover Indonesia

6.2 SHARE CAPITAL

Our share capital as at the LPD is RM31,546,901.40 comprising 399,326,700 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 transactions	Cumulative issued share capital (RM)
10 November 2020	⁽¹⁾ 100	100.00	Subscriber's share	100.00
18 January 2022	327,830,400	25,898,601.60	Issuance pursuant to the Acquisition of YLPM	25,898,701.60
18 January 2022	71,496,200	5,648,199.80	Issuance pursuant to the Acquisition of YLPH	31,546,901.40

Note:

(1) The 100 shares were subscribed by Ang Lee Leong.

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 our IPO, our enlarged share capital will increase from RM31,546,901.40 comprising 399,326,700 Shares to RM68,817,393.40 comprising 532,435,600 Shares.

6.3 INTERNAL RESTRUCTURING

We have undertaken the Acquisitions in preparation for our Listing.

6.3.1 Acquisition of YLPM

On 9 August 2021, we entered into a conditional share sale and purchase agreement with the Vendors to acquire the entire equity interest in YLPM comprising 100,000 ordinary shares for a total purchase consideration of RM25,898,601.60. The purchase consideration for the Acquisition of YLPM was satisfied via the issuance of 327,830,400 new Shares to the Vendors at an issue price of RM0.079 each.

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Ang Lee Leong	80,000	80.0	20,718,881.28	262,264,320
Chee Wai Ying	10,000	10.0	2,589,860.16	32,783,040
Ang Lee Seng	10,000	10.0	2,589,860.16	32,783,040
Total	100,000	100.0	25,898,601.60	327,830,400

6. INFORMATION ON OUR GROUP (cont'd)

The Acquisition of YLPM was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 13 January 2022. The Acquisition of YLPM was completed on 18 January 2022. Thereafter, YLPM became our wholly-owned subsidiary. The total purchase consideration of RM25,898,601.60 for the Acquisition of YLPM was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of YLPM group as at 31 December 2020 of RM25,898,570.

The new Shares issued under the Acquisition of YLPM ranks 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 YLPH

On 9 August 2021, we entered into a conditional share sale and purchase agreement with the Vendors to acquire the entire equity interest in YLPH comprising 250,000 ordinary shares for a total purchase consideration of RM5,648,199.80. The purchase consideration for the Acquisition of YLPH was satisfied via the issuance of 71,496,200 new Shares to the Vendors at an issue price of RM0.079 each.

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Shares issued
Ang Lee Leong	150,000	60.0	3,388,919.88	42,897,720
Chee Wai Ying	50,000	20.0	1,129,639.96	14,299,240
Ang Lee Seng	50,000	20.0	1,129,639.96	14,299,240
Total	250,000	100.0	5,648,199.80	71,496,200

The Acquisition of YLPH was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 13 January 2022. The Acquisition of YLPH was completed on 18 January 2022. Thereafter, YLPH became our wholly-owned subsidiary. The total purchase consideration of RM5,648,199.80 for the Acquisition of YLPH was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of YLPH as at 31 December 2020 of RM5,648,150.

The new Shares issued pursuant to the Acquisition of YLPH ranks 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.

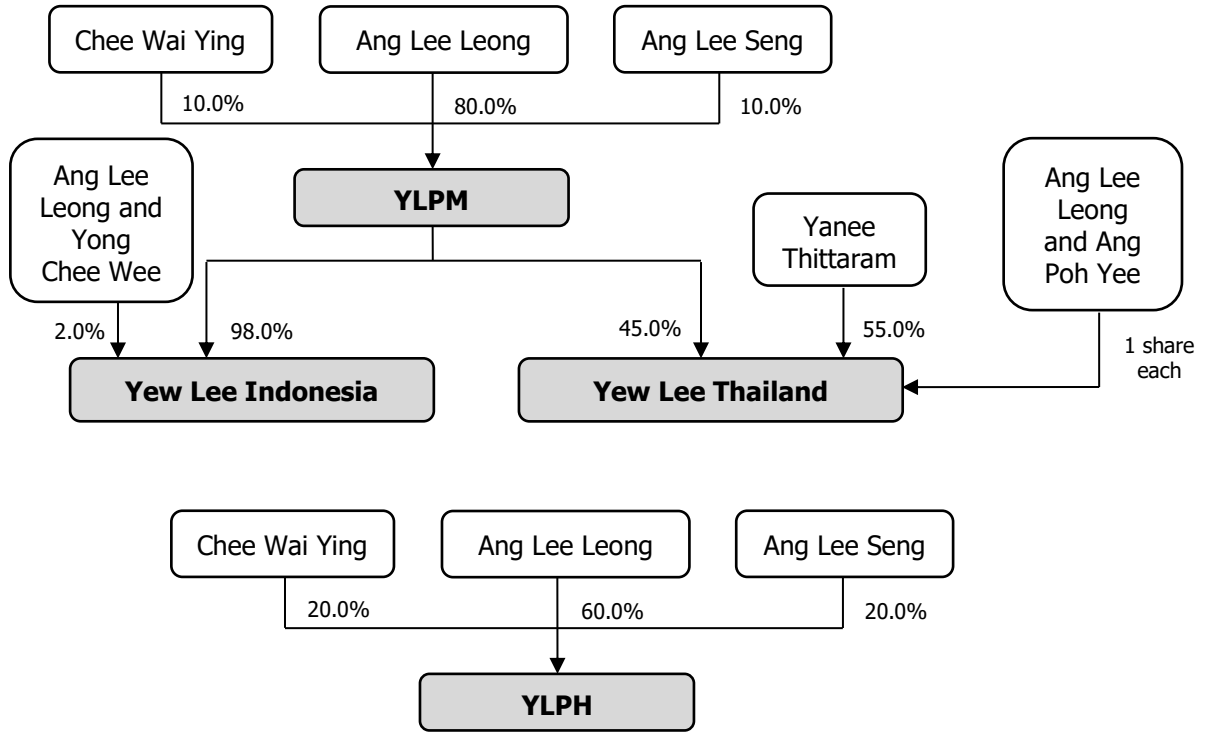
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6. INFORMATION ON OUR GROUP (cont'd)

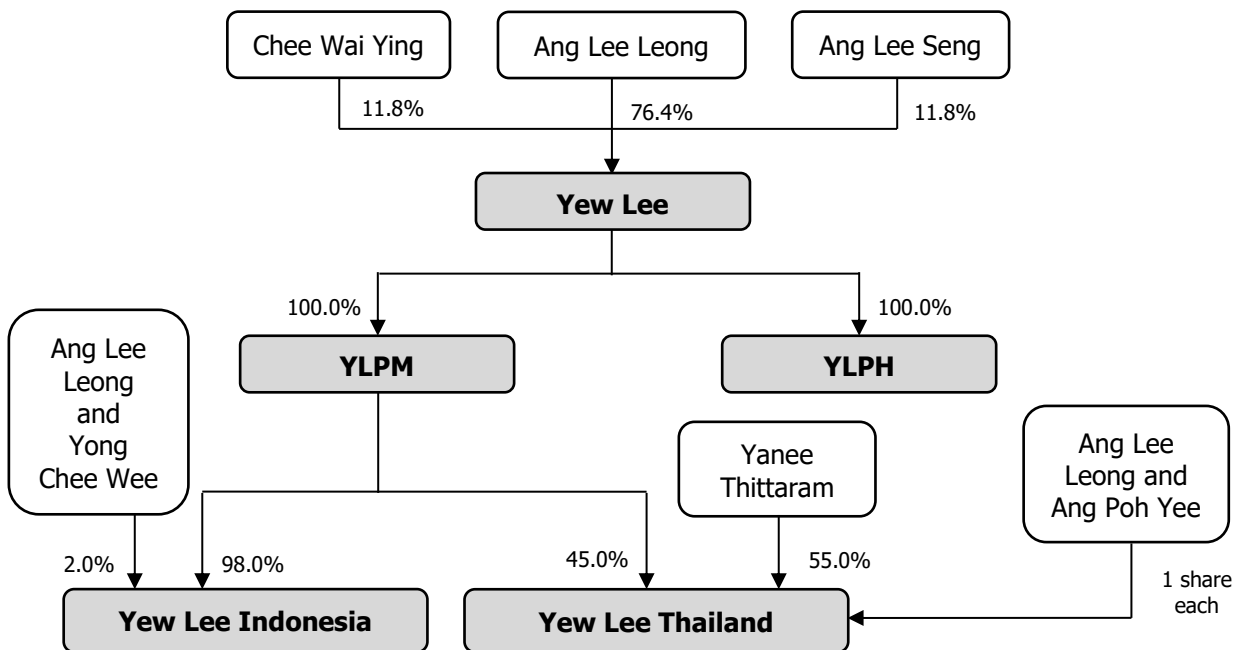
6.3.3 Our Group structure

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

(a) Before the Acquisitions and our IPO

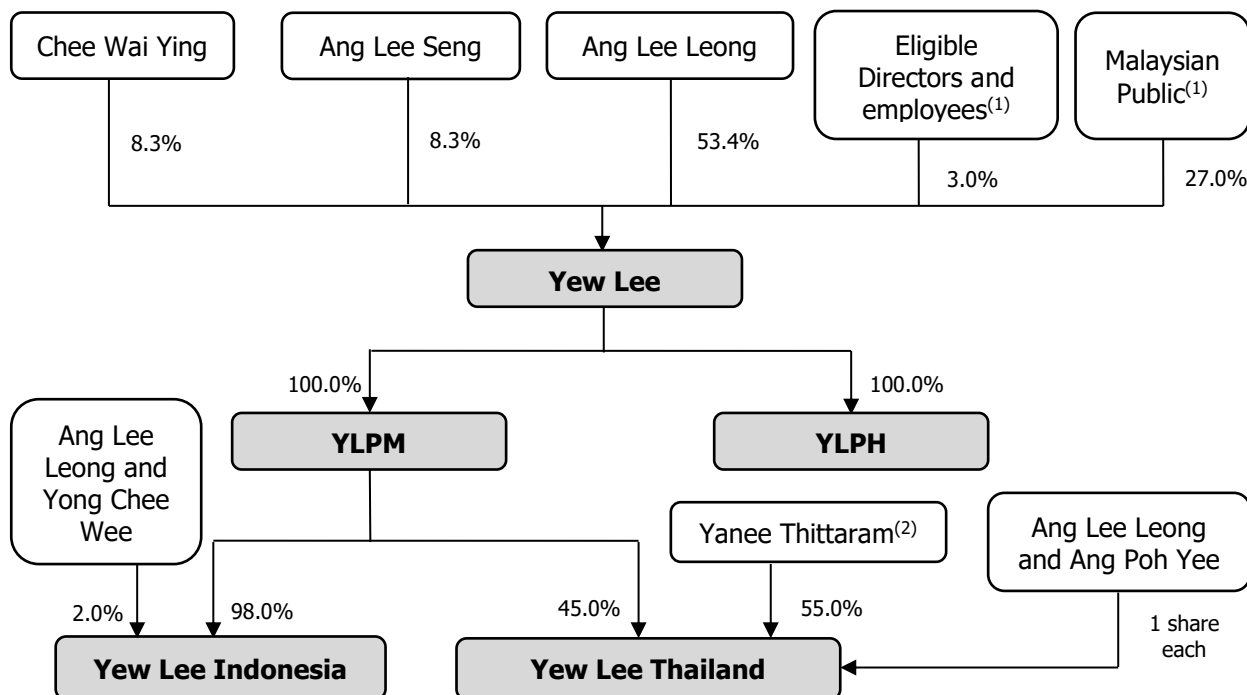


(b) After the Acquisitions but before our IPO



6. INFORMATION ON OUR GROUP (cont'd)

(c) After the Acquisitions and our IPO



Notes:

- (1) Assuming that our eligible Directors and employees will fully subscribe for their entitlement under the Pink Form Allocations and the Issue Shares made available for application by Malaysian Public will be fully subscribed.
- (2) Yanee Thittaram is the local investor Yew Lee Thailand and is responsible for Yew Lee Thailand's business development activities in the industrial brush business. Yanee Thittaram is not an employee of Yew Lee Thailand and is not a related party to our Group.

6.4 OUR SUBSIDIARIES AND ASSOCIATE COMPANY

Details of our subsidiaries and associate company are as follows:

Company	Registration No.	Date/Place of incorporation	Principal place of business	Effective equity interest (%)	Principal Activities
YLPM	200001030174 (532781-D)	24 November 2000 / Malaysia	Malaysia	100.0	Manufacturing of industrial brushes
YLPH	200101028017 (563775-M)	7 November 2001 / Malaysia	Malaysia	100.0	Trading of industrial hardware and machinery parts
Subsidiary of YLPM					
Yew Lee Indonesia	9120408921129	10 September 2019 / Indonesia	Indonesia	98.0	Distribution of industrial brushes
Associate company of YLPM					
Yew Lee Thailand	0905562005524	10 October 2019 / Thailand	Thailand	45.0	Distribution of industrial brushes

6. INFORMATION ON OUR GROUP (cont'd)**6.4.1 Information on YLPM****(a) Date and place of incorporation**

YLPM was incorporated in Malaysia on 24 November 2000 under the Companies Act, 1965 as a private limited company. YLPM commenced business operations in November 2001.

(b) Share Capital

As at the LPD, YLPM has an issued share capital of RM100,000 comprising 100,000 ordinary shares. Details of the changes in the issued share capital of YLPM 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)
24 November 2000	4	4	Subscriber's shares	4
25 July 2001	99,996	99,996	Issue for cash	100,000

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

(c) Shareholders and directors

As at the LPD, YLPM is our wholly-owned subsidiary. The directors of YLPM are Ang Lee Leong, Chee Wai Ying and Ang Lee Seng.

(d) Subsidiary and associate company

As at the LPD, Yew Lee Indonesia is a 98.0% subsidiary of YLPM whilst Yew Lee Thailand is a 45.0% associate company of YLPM.

6.4.2 Information on YLPH**(a) Date and place of incorporation**

YLPH was incorporated in Malaysia on 7 November 2001 under the Companies Act 1965 as a private limited company. YLPH commenced business operations in November 2001.

(b) Share Capital

As at the LPD, YLPH has an issued share capital of RM250,000 comprising 250,000 ordinary shares. Details of the changes in the issued share capital of YLPH 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)
7 November 2001	3	3	Subscriber's shares	3
14 December 2001	99,997	99,997	Issue for cash	100,000
4 March 2004	150,000	150,000	Issue for cash	250,000

6. INFORMATION ON OUR GROUP (cont'd)

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

(c) Shareholders and directors

As at the LPD, YLPH is our wholly-owned subsidiary. The directors of YLPH are Ang Lee Leong, Chee Wai Ying and Ang Lee Seng.

(d) Subsidiary and associate company

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

6.4.3 Information on Yew Lee Indonesia**(a) Date and place of incorporation**

Yew Lee Indonesia was incorporated in Indonesia under the Indonesian Company Law No. 25 of 2007 on 10 September 2019 as a private limited company and commenced operations in September 2019.

(b) Share capital

As at the LPD, Yew Lee Indonesia has an issued share capital of IDR2,500,000,000 comprising 2,500 ordinary shares. Details of the changes in the issued share capital of Yew Lee Indonesia since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted/ (reduced)	Consideration (IDR)	Nature of transaction	Cumulative issued share capital (IDR)
10 September 2019	⁽¹⁾ 10,000	10,000,000,000	Subscriber's shares	10,000,000,000
4 January 2020	(7,500)	(7,500,000,000)	Reduction of shares	2,500,000,000

Note:

- (1) Subscribed by YLPM (9,900 ordinary shares) and Ang Lee Leong (100 ordinary shares).

Yew Lee Indonesia was set up to expand into various target markets in Indonesia (such as rubber gloves manufacturing, E&E and agriculture industries). However, we decided to scale back our expansion plans to focus on the rubber gloves manufacturing industry in order to familiarise with the business environment in Indonesia. As such, Yew Lee Indonesia had, on 4 January 2020, undertaken a reduction of the issued share capital from IDR10,000,000,000 comprising 10,000 ordinary shares to IDR2,500,000,000 comprising 2,500 ordinary shares.

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

(c) Shareholders and directors

Yew Lee Indonesia is a subsidiary of YLPM. As at the LPD, the shareholders of Yew Lee Indonesia are as follows:

6. INFORMATION ON OUR GROUP (cont'd)

Name	Nationality/Place of incorporation	No. of ordinary shares held	%
YLPM	Malaysia	2,450	98.0
Ang Lee Leong	Malaysian	25	1.0
Yong Chee Wee ⁽¹⁾	Malaysian	25	1.0
	Total	2,500	100.0

Note:

- (1) YLPM transferred 25 ordinary shares in Yew Lee Indonesia to Yong Chee Wee on 29 December 2020.

The directors of Yew Lee Indonesia are Ang Poh Yee and Yong Chee Wee (who is our employee and does not have any family relationships with our Promoters) whereas the commissioner of Yew Lee Indonesia is Ang Lee Leong.

There is no requirement for local participation in equity stakes and/or directorship of an established corporation in Indonesia.

(d) Subsidiary and associate company

As at the LPD, Yew Lee Indonesia does not have any subsidiary and/or associate company.

6.4.4 Information on Yew Lee Thailand**(a) Date and place of incorporation**

Yew Lee Thailand was incorporated in Thailand under the Civil and Commercial Code of Thailand on 10 October 2019 as a private limited company and has commenced operations on 8 November 2019.

(b) Share capital

As at the LPD, Yew Lee Thailand has an issued share capital of THB2,000,000 comprising 20,000 ordinary shares. Details of the changes in the issued share capital of Yew Lee Thailand since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration (THB)	Nature of transaction	Cumulative issued share capital (THB)
10 October 2019	⁽¹⁾ 20,000	2,000,000	Subscriber's shares	2,000,000

Note:

- (1) Subscribed by Ang Lee Leong (18,000 ordinary shares), Ang Poh Yee (1,999 ordinary shares) and Phillip Low Eng Huat (1 ordinary share) (who is our former employee and does not have any family relationship with our Promoters). The movements in Yew Lee Thailand's share capital since incorporation are as follows:

6. INFORMATION ON OUR GROUP (cont'd)

<u>Date</u>	<u>Transferor</u>	<u>Transferee</u>	<u>No. of shares transferred</u>
11 October 2019	Ang Lee Leong	YLPM	17,999
11 October 2019	Ang Poh Yee	YLPM	1,998
11 October 2019	Philip Low Eng Huat	YLPM	1
27 March 2020	YLPM	Yanee Thittaram	11,000

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

(c) Shareholders and directors

As at the LPD, Yew Lee Thailand is an associate company of YLPM. The shareholders of Yew Lee Thailand are as follows:

<u>Name</u>	<u>Nationality/Place of incorporation</u>	<u>No. of ordinary shares held</u>	<u>%</u>
YLPM	Malaysia	8,998	45.0
Yanee Thittaram	Thai national	11,000	55.0
Ang Lee Leong	Malaysian	1	~
Ang Poh Yee	Malaysian	1	~
Total		20,000	100.0

Note:

~ Less than 0.1%.

The directors of Yew Lee Thailand are Ang Lee Leong, Ang Poh Yee and Teh Yee Kwang (who is our employee and does not have any family relationship with our Promoters). Yanee Thittaram is the local investor of Yew Lee Thailand and is responsible for Yew Lee Thailand's business development activities in return for a fixed fee payment of THB14,550 (approximately RM2,101.00) per month. Yanee Thittaram is not a related party nor a nominee/employee to our Group.

Yew Lee Thailand was incorporated on 10 October 2019 as a subsidiary of YLPM. On 27 March 2020, YLPM disposed-off its 55.0% equity interest in Yew Lee Thailand to Yanee Thittaram, a Thai shareholder for a total cash consideration of THB1,100,000 (equivalent to RM158,730) and subsequently became an associate company of YLPM. The said disposal was undertaken in order to comply with the laws of Thailand, whereby the majority shareholdings of company incorporated in Thailand shall be held by Thai nationals.

Upon disposal, YLPM is deemed to have only a significant influence over the entity as the majority voting rights have been transferred to Yanee Thittaram. Although Yew Lee Thailand's board of directors comprises wholly of YLPM's representatives, Yanee Thittaram, having majority shareholding, has the power to solely decide on all members' resolutions including the composition of the Board of Yew Lee Thailand. As such, despite YLPM's board representation, Yew Lee Thailand is an associate company.

Based on the above considerations, Yew Lee Thailand is an associate company. Considering the foregoing, SOLIS @ Law (our legal due diligence solicitors in Thailand) has confirmed that, since Yanee Thittaram is not a nominee to YLPM and she is acting on her own capacity as shareholder of Yew Lee Thailand, thus Yew Lee Thailand is not in breach and in contravention with anti-fronting laws in Thailand.

6. INFORMATION ON OUR GROUP (cont'd)**(d) Subsidiary and associate company**

As at the LPD, Yew Lee Thailand does not have any subsidiary and/or associate company.

6.5 MATERIAL CAPITAL EXPENDITURES AND DIVESTITURES**6.5.1 Material capital expenditure**

Material investments (including interests in other corporations) made by us during the FYE 2018 to FYE 2021 and up to the LPD are as follows:

Description	At cost				1 January 2022 up to the LPD
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	
	RM'000	RM'000	RM'000	RM'000s	
Buildings and improvements	-	-	33	164	-
Plant and machinery	16	235	(1)2,135	(3)1,430	-
Factory equipment and electrical installation	94	453	399	154	9
Motor vehicles	354	445	(2)1,046	165	-
Office equipment, furniture and fittings	34	299	202	66	10
Signboard	-	3	-	-	-
Capital work-in-progress	-	-	82	(4)3,172	-
Total	498	1,435	3,897	5,151	19

Notes:

- (1) This mainly relates to the purchase of 2 units of semi-automated CNC continuous cycle drilling and filling machines, 2 units of manual lathe machines, 2 units of auto loaders, 2 units of trimming machines as well as related moulding machines. The above manufacturing machineries and equipment were purchased to increase our overall manufacturing capacity of industrial brushes, where our total manufacturing lines increased from 11 manufacturing lines in FYE 2019 to 13 manufacturing lines in FYE 2020, in line with the increase in demand for our range of industrial brushes. 1 of the new semi-automated CNC continuous cycle drilling and filling machinery was undergoing trial and test runs as at FYE 2020 and only begun operations in the first quarter of 2021.
- (2) This relates to purchase of 4 units of passenger cars and 2 units of commercial vehicles.
- (3) This mainly relates to the purchase of 1 unit of plastic injection moulding machine, 1 unit of trimming machine, 2 units of semi-automated CNC continuous cycle drilling and filling machine, 1 unit of double shaft shredder and conveyor systems as well as related machineries, equipment and related tools to support the purchase of these new machineries and equipment.
- (4) This relates to the ongoing construction of our New Office which was acquired from PDSB as the developer of the commercial development area known as "Marq Bizpark @ North Klang" in Selangor.

They were primarily financed by a combination of bank borrowings and internally generated funds.

6. INFORMATION ON OUR GROUP (cont'd)**6.5.2 Material divestitures**

Material divestitures (including interests in other corporations) made by us during FYEs 2018 to 2021 and up to the LPD are as follows:

Description	At NBV				
	FYE 2018	FYE 2019	FYE 2020	FYE 2021	1 January 2022 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Buildings and improvements	1	-	-	-	-
Plant and machinery	-	-	81	1	(1)-
Factory equipment and electrical installation	5	(1)-	-	16	-
Motor vehicles ⁽²⁾	(1)-	63	128	94	-
Office equipment, furniture and fittings	7	(1)-	37	16	1
Signboard	-	(1)-	-	-	-
Disposal of 55.0% interest in Yew Lee Thailand ⁽³⁾	-	-	159	-	-
Total	13	63	246	127	1

Notes:

- (1) Represents less than RM1,000.
- (2) This relates to the disposal of 4 units of commercial vehicles and 9 units of passenger cars.
- (3) Based on the Foreign Business Act A.D. 1999 of Thailand, it is a requirement that the majority shareholdings of a company incorporated in Thailand shall be held by Thai nationals. As such, on 27 March 2020, YLPM had disposed its 55.0% interest held in Yew Lee Thailand to Yanee Thittaram for THB1,100,000 (equivalent to RM158,730), which was arrived at based on the existing share capital of Yew Lee Thailand of THB2,000,000.

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.

6.5.3 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 operations as disclosed in Section 4.9, our Group has no other immediate plans to construct, expand or improve our facilities as at LPD.

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

6.6 PUBLIC TAKE-OVERS

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

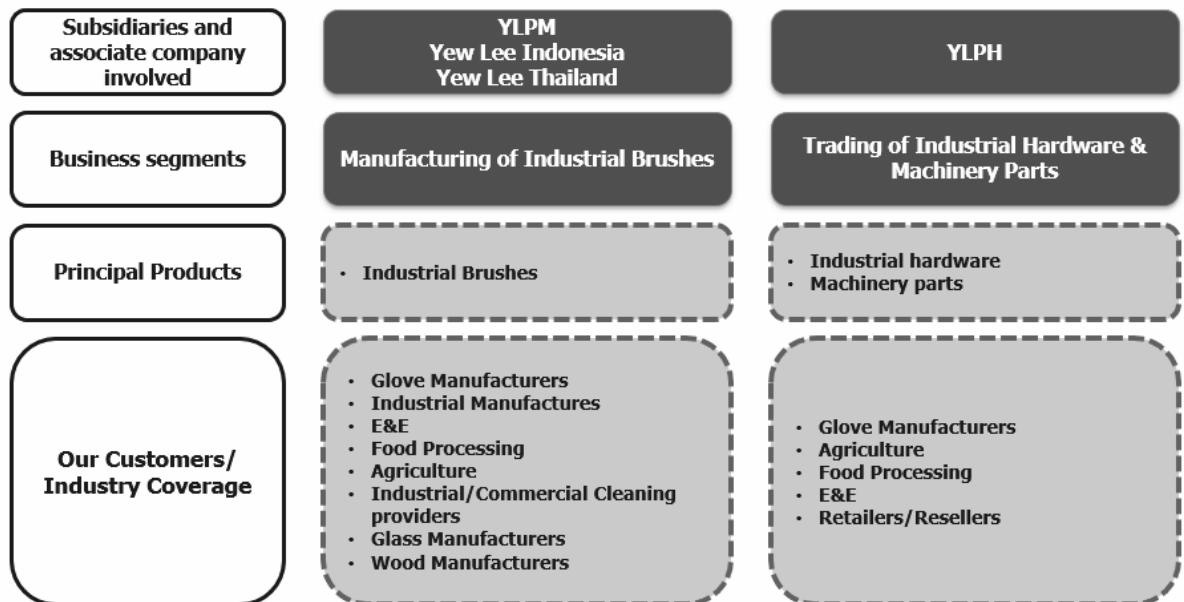
- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

6.7 DESCRIPTION OF OUR BUSINESS

Our Group is principally involved in the following business activities:

- (a) manufacturing of industrial brushes; and
- (b) trading of industrial hardware and machinery parts.

The following diagram illustrates our Group's principal activities:



6.7.1 Our principal products

We are a manufacturer of industrial brushes. To complement our manufacturing activities, we are also involved in the trading of industrial hardware and machinery parts which supports our customer's manufacturing needs. Our principal products can be categorised as follows:

(a) Industrial brushes

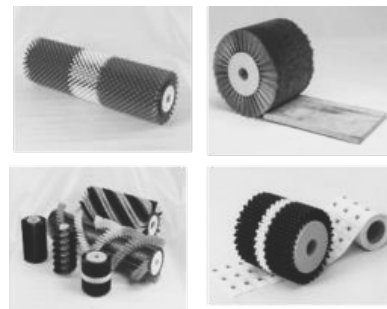
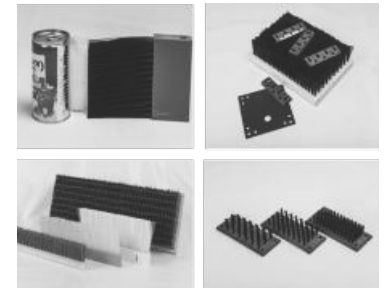
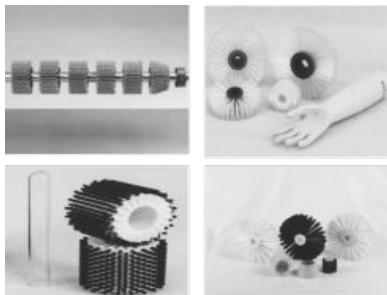
Industrial brushes can be hand-held or attached to a manufacturing machinery or equipment used for heavy-duty scrubbing or surface treatment such as polishing or cleaning in conveyorised processing. They are made using different monofilament materials to form the different brush specifications and applications including stiffness, density, coarseness and antistatic feature. Generally, our range of industrial brushes can be used either for the following uses/specifications:

- (i) conveyor cleaning, surface preparation, surface finishing, scrubbing, dusting, applying and polishing; or
- (ii) serve as brush seals, passive wiping mechanisms or flexible machine guards against light, heat, mist or flying chips.

6. INFORMATION ON OUR GROUP (cont'd)

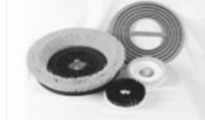
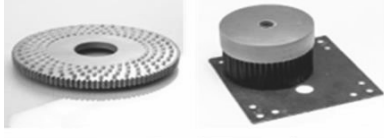
Our range of industrial brushes is sold to a wide variety of end-user industries such as rubber gloves manufacturers, industrial manufacturing, agriculture, E&E contract manufacturers, food processing and industrial/commercial cleaning. We receive repeat purchase orders from our customers as industrial brushes are wear and tear items that need to be replaced between 1 week to 6 months, depending on the frequency of replacement and extent of usage in their manufacturing activities. Our customers are required to make advance payments or deposits for their respective purchase orders for our industrial brushes on a case-to-case basis, depending on the length of relationship with our customers and size/order quantity received from our customers. Such advance payments or deposits are generally required for new customers (i.e. length of relationship of less than 1 year) depending on the size of their orders. Depending on market conditions, we gradually pass on the increase in cost of raw materials (including cost of monofilament materials) to our customers in a progressive manner for their subsequent orders. This will allow us to remain competitive in the industrial brush industry and enhance the attractiveness of our products' pricing as compared to our competitors.

We also provide custom-made industrial brushes in accordance to our customer's manufacturing request and requirements in terms of design, material and length to fit for its manufacturing purposes. To-date, our Group manufactures a total of 25 types of industrial brushes under the following categories:

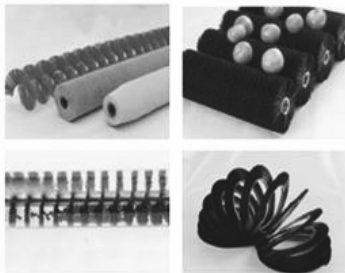
Key products	Description of use
	<ul style="list-style-type: none"> • Roller brush or also known as cylinder brush, is available in varying sizes, monofilament materials, density and trim length, core shaft diameters and lengths. • Applications include floor cleaning or sweeping of large surface (rough and uneven) areas, conveying small objects from one point to another, surface polishing, finishing or dusting as well as latex glove beading process. • Currently manufacture 3 types of roller brushes, comprising roller brush, colour brush and spiral roller brush.
<p>Roller brush</p>	
	<ul style="list-style-type: none"> • Lath brush is the most common and widely used brush shape and style. The brush consists of a rectangular or square shaped plastic block that is attached to manufacturing machines or assembly lines for clearing and cleaning. • Applications include creases prevention in paper production process, cleaning surface from dust and dirt, cleaning former, descaling objects after treatment process or cleaning of printing blanket and cylinder. • Currently manufacture 1 type of lath brush.
<p>Lath brush</p>	
	<ul style="list-style-type: none"> • Circular brush is available in varying sizes, monofilament materials, density and trim length. • Applications include latex glove beading process, washing or cleaning object surfaces. • Currently manufacture 3 types of circular brushes, namely beading brush, cuffing brush and washing brush.
<p>Circular brush</p>	

6. INFORMATION ON OUR GROUP (cont'd)

Key products



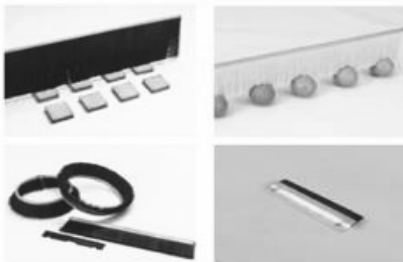
Disc brush



Spiral brush



Twist brush



Strip brush



Oil brush

Description of use

- Disc brush is a round block and its fill monofilament materials will be stapled or drawn on side parallel to axis at right angle to the larger diameter.
- The block will typically have an arbor hole centred in the block or collar to affix the shaft for mounting purposes.
- Applications include cleaning former, weed removal, sweeping or floor scrubbing.
- Currently manufacture 4 types of disc brushes, comprising single disc brush, double disc brush, half-round single disc brush and half-round double disc brush.
- Spiral brush is made by winding straight metal-backed channel strip on a mandrel, core or shaft to form rotary cylinder brushes. Wide range of coil brush densities is possible by varying the pitch between each coil.
- Applications include latex glove beading process, cleaning glass surfaces, removing of blasting abrasives or descaling objects after treatment process.
- Currently manufacture 2 types of spiral brushes, namely spiral brush galvanised strip brush and spiral brush S/S strip brush.
- Twist brush is made by inserting bristles between the double over wire and twisting thus securing the bristle in between the wire. It can be trimmed in many shapes such as conical, concave, convex, tapered, square or rectangular other than the traditional round head, depending on the needs.
- Applications include tube and test tube cleaning, hydraulic fitting cleaning or automotive and aircraft parts cleaning.
- Currently manufacture 1 type of twist brush.
- Strip brush is used individually in multiples and may mount on flat surfaces or on cylinders.
- Applications include shield against dust, light and mist, sealing door, windows and machine, removing of blasting abrasives or descaling objects after treatment process.
- Currently manufacture 2 types of strip brush (namely U4 and U6).
- A custom-made oil brush used for oil spreading application. It can be designed in variety of shape/dimension with oil control fitting for preventive maintenance.
- Currently manufacture 1 type of oil brush.

6. INFORMATION ON OUR GROUP (cont'd)

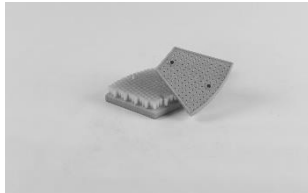
Key products



Forklift sweeper



Sweeping and cleaning brushes



Custom-made brushes

Description of use

- Forklift sweeper is a unique brush system which is ideal for industrial and commercial cleaning application. It can be hooked up to forklift, tractors and bobcats.
- Currently manufacture 1 type of forklift sweeper brush.
- Sweeping and cleaning brushes used for road or large area of cleaning.
- Currently manufacture 1 type of sweeping and cleaning brushes.
- A purpose made industrial brush that is produced to suit our customer's manufacturing requirements and needs.
- Can be customised in terms of design, material and length to fit for its manufacturing purposes.
- Our custom-made industrial brushes may be replicated for any of our customers as long as we are not prohibited contractually by our customers.
- We are able to customise nearly every aspect of an industrial brush, including the brush length, bristle length, stiffness, density, coarseness and fill materials for differing manufacturing requirements.
- Currently manufacture 6 types of custom-made brushes, namely customised lath brush, industrial broom, main drive track brush, customised twist brush, former holder track cleaning brush (non-rotate) and former holder track cleaning brush (rotate).

Our main customers and their typical uses and applications of our range of industrial brushes are as follows:

Industries

Description of customers and usage/applications



Rubber gloves manufacturing

- Customers mainly comprise of rubber gloves manufacturers.
- Our key products sold under this segment namely circular brush and disc brush.
- Latex gloves beading, conveyor cleaning, polishing and finishing.

6. INFORMATION ON OUR GROUP (cont'd)

Industries

Description of customers and usage/applications



Glass manufacturing



Wood manufacturing




Agriculture



Food processing

- Customers mainly comprise of manufacturers of glass-based products such as lenses, scientific glass ware and flat glass.
- Our key products sold under this segment include disc brush.
- Debris on finished glass products will need to be cleaned/polished gently and thoroughly without scratching them, before being package.
- Customers mainly comprise of manufacturers of wood-based products such as wooden frames and furniture
- Our key products sold under this segment include roller brush, spiral brush and lath brush.
- Treating, cleaning and preparing, coating/ pre-coating, polishing, roughening before painting/ staining, striping paint, etc.
- Customers mainly comprise of agriculture farming players such as cultivation of agriculture produce (vegetables and fruits) and poultry players.
- Our key products sold under this segment include roller brush, twist brush, spiral brush and strip brush.
- Harvesting, produce cleaning, polishing, peeling, sorting and mining.
- Customers mainly comprise of manufacturers and processors of food products such as instant food products and ready-cooked meals.
- Our key products sold under this segment include roller brush, twist brush, spiral brush and strip brush.
- Conveyor cleaning, food packaging, sorting, guiding and metering, contamination control, surface glazing/coating applications.

6. INFORMATION ON OUR GROUP (cont'd)

Industries	Description of customers and usage/applications
	<ul style="list-style-type: none"> • Customers mainly comprise of semiconductor and E&E manufacturers. • Our key products sold under this segment include custom-made industrial brush. • Eliminates negative and positive static electricity from industrial processing machine and business machine. The antistatic brushes that we manufacture are not our key product.

E&E contract manufacturers



- Mainly consists of manufacturers of commercial cleaning machineries/equipment and commercial cleaning services companies.
- Our key products sold under this segment include forklift sweeper, sweeping and cleaning brush and household brush.
- Wide surface cleaning, polishing as well as dust & debris elimination.

Industrial and commercial cleaning

Other than industrial brushes, we also manufacture household brushes that are used for household and commercial cleaning activities on a small-scale basis. Revenue contribution from the manufacturing of household brushes constitutes less than 2.0% of our Group's total revenue contribution during the financial years under review. Examples of household brushes are as follows:



Brooms/Sweepers

Bottle brushes

In addition to the above, our Group also provides after-sales services by reconditioning to our existing customer's used industrial brushes under our manufacturing segment. Kindly refer to Section 6.9.3 below for further details of our warranty and after-sales services which our Group currently provides.

6. INFORMATION ON OUR GROUP (cont'd)

(b) Industrial hardware and machinery parts

Industrial hardware and machinery parts are wear and tear parts used in the manufacturing and assembly lines that are replaced after certain hours of usage in order to keep the machinery running smoothly. Our industrial hardware and machinery parts offerings also complement our customers from the manufacturing segment with their manufacturing or production hardware needs. We normally sell our industrial hardware and machinery parts to our industrial manufacturing customers, walk-in customers as well as trading houses distributors. This is also in line with our objective to be able to provide a comprehensive range of industrial brushes, industrial hardware and machinery parts which has allowed our Group to cross sell our products to our customers.


YLPH is also currently the non-exclusive authorised distributor of Festo’s range of automation parts (such as pneumatic valves and valve manifolds, sensors, connectors, fittings and tubings, valve terminals, sensor boxes, actuators and other pneumatic connectors) to our customers in Malaysia. The authorised distributorship arrangement with Festo is non-exclusive, which is valid from 1 January 2015 until 31 December 2022.

Save for the geographical restriction for YLPH to distribute Festo’s automation parts in Malaysia only, the authorised distributorship arrangement with Festo is not subject to any material terms and conditions or requirements (i.e. minimum purchase commitment). However, we are not dependent on the distributorship agreement with Festo for the supply of automation parts, due to the following reasons:


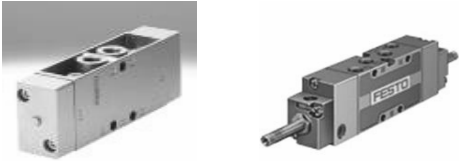



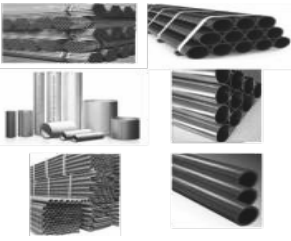
- (i) we are able to readily source these automation parts from alternative suppliers with minimal switching cost that are not expected to have a material impact on our total cost of purchase and profitability;
- (ii) the total cost of purchase of Festo’s range of automation parts represents less than 5.0% of our total cost of purchase during the financial years under review; and
- (iii) revenue contributed by the sale of Festo’s range of automation parts represents less than 5.0% of our total revenue for the financial years under review.

As such, the non-renewal of the authorised distributorship agreement with Festo is not expected to materially impact our Group’s financial performance. Save as disclosed above, our Group does not have any other binding agreements with other suppliers for the supply and distribution of industrial hardware and machinery parts.

The industrial hardware and machinery parts traded by our Group can be categorised as follows:

Key products	Description of use/applications
<p><u>Industrial hardware</u></p>  <p>PVC valve fittings Stainless steel valve fittings</p> <p><u>Machinery parts</u></p>	<p>A device used to control the flow of fluids.</p>

6. INFORMATION ON OUR GROUP (cont'd)

Key products	Description of use/applications
<p data-bbox="523 282 745 315"><u>Machinery parts</u></p>  <p data-bbox="534 535 734 566">Solenoid valve</p> 	<p data-bbox="922 474 1415 571">An electromechanically-operated valve used for controlling the flow or direction of air or liquid in fluid power systems.</p> <p data-bbox="922 595 1415 656">Used for controlling the flow or direction of air or fluid substance.</p>
<p data-bbox="550 779 722 810">Tiger valves</p> <p data-bbox="475 810 791 842">(Festo's automation parts)</p> 	<p data-bbox="922 869 1415 965">Used for connecting pneumatic components to each other in a piping system.</p>
<p data-bbox="555 1043 718 1075">Push fitting</p> 	<p data-bbox="922 1093 1415 1189">A device that converts energy typically in the form of compressed air into mechanical motion.</p>
<p data-bbox="523 1279 750 1310">Pneumatic drive</p> 	<p data-bbox="922 1328 1415 1424">A flexible plastic tubing for use with compressed air, water and vacuum operating mediums.</p>
<p data-bbox="555 1570 718 1601">PUN tubing</p> 	<p data-bbox="922 1619 1415 1816">Variety of pipes used for different applications including decorative and structural applications (e.g. ornamental pipe) as well as construction and building applications (e.g. PVC and schedule pipes).</p>
<p data-bbox="435 1872 831 1928">Ornamental pipes, PVC pipes and schedule pipes</p>	

6. INFORMATION ON OUR GROUP (cont'd)**6.8 PRINCIPAL MARKETS**

The following table sets out our revenue by business segments for the financial years under review:

	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing segment								
- Industrial brushes ⁽¹⁾	17,415	62.6	18,148	62.1	27,100	64.6	31,569	69.4
- Household brushes	508	1.8	412	1.4	378	0.9	425	0.9
Trading segment	9,890	35.6	10,648	36.5	14,496	34.5	13,531	29.7
Total	27,813	100.0	29,208	100.0	41,974	100.0	45,525	100.0

Note:

- (1) The revenue contribution from the reconditioning of industrial brushes accounted for approximately 9.4%, 9.0%, 6.4% and 6.8% of our total revenue during FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. Further details are as follows:

	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing segment								
- Industrial brushes	14,799	53.2	15,496	53.1	24,432	58.2	28,496	62.6
- Reconditioned brushes	2,616	9.4	2,652	9.0	2,668	6.4	3,073	6.8
Total	17,415	62.6	18,148	62.1	27,100	64.6	31,569	69.4

Revenue generated from our manufacturing segment amounts to 64.4%, 63.5%, 65.5% and 70.3% of our Group's revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. The growth in the manufacturing segment was mainly driven by the growth in demand from our customers involved in the rubber gloves manufacturing industry during the financial years under review. Revenue generated from our trading segment registered growth of 7.7% during FYE 2019 and 36.2% during FYE 2020, mainly due to higher sales received from the rubber gloves manufacturing customers. During FYE 2021, the decrease in revenue generated from our trading segment by 6.7% was mainly due to lower volume of industrial hardware and machinery parts sold to our rubber gloves manufacturing customers.

By geographical location, Malaysia remains our Group's largest revenue contributor, contributing between 81.9%, 85.8%, 81.4% and 76.8% of our total revenue during for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our revenue by geographical location are as follows:

Countries	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing segment								
Malaysia	12,881	46.3	14,416	49.3	19,664	46.9	21,450	47.1
Thailand	1,769	6.4	1,967	6.7	2,833	6.7	3,205	7.0
Vietnam	2,658	9.6	1,387	4.7	2,610	6.2	2,632	5.8
Indonesia	203	0.7	310	1.1	833	2.0	1,507	3.3
Taiwan	-	-	-	-	1,007	2.4	2,614	5.8
Others ⁽¹⁾	412	1.4	480	1.7	531	1.3	586	1.3
	17,923	64.4	18,560	63.5	27,478	65.5	31,994	70.3
Trading segment								
Malaysia	9,890	35.6	10,648	36.5	14,496	34.5	13,531	29.7
Total	27,813	100.0	29,208	100.0	41,974	100.0	45,525	100.0

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

(1) Other countries include India, Mexico, Middle East, Singapore and Sri Lanka.

The breakdown of the revenue generated by customer segments for the financial years under review are categorised as follows:

Customer segments	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Rubber gloves manufacturers	21,534	77.4	22,983	78.7	36,948	88.0	38,900	85.4
Others ⁽¹⁾	6,279	22.6	6,225	21.3	5,026	12.0	6,625	14.6
Total	27,813	100.0	29,208	100.0	41,974	100.0	45,525	100.0

Note:

(1) Other customers include manufacturers involved in the manufacturing of glass products, wood-based products, agriculture, food processing, E&E contract manufacturers as well as industrial and commercial cleaning, retailers, walk-in customers as well as trading house distributors. None of these customers from other industries contributed more than 5.0% to our Group's total revenue for the financial years under review.

Our Group's largest revenue contributor is contributed from the rubber gloves manufacturing industry, contributing between 77.4%, 78.7%, 88.0% and 85.4% of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively.

6.9 DESCRIPTION OF OUR OPERATION PROCESSES**6.9.1 Manufacturing of industrial brushes**

The key stages of our operation processes are as follows:



Where we have existing raw materials in our inventory system, the manufacturing process of our industrial brushes will take approximately 5 to 7 working days from the commencement of our manufacturing process up to the packing and delivery stage. For customised orders which requires specific raw materials where we do not stock in our inventory systems, we will only place the order with our suppliers once the purchase order from our customers has been confirmed. Thereafter, the manufacturing process of our industrial brushes will generally take up to 1 month, from procuring of raw materials and supplies to manufacturing and then packing and finally delivery to our customers.

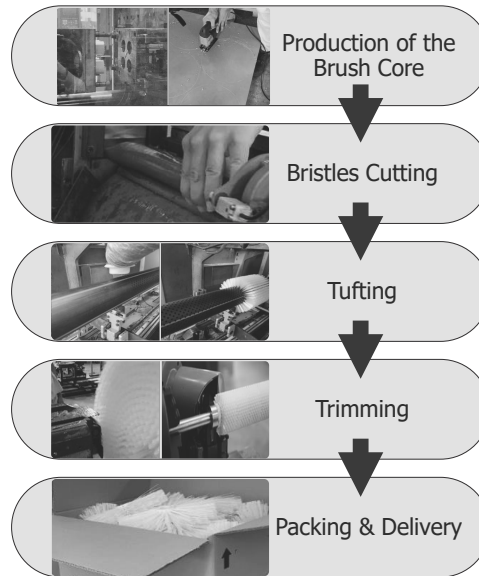
(a) Procuring and sourcing of raw materials and supplies

Once a job order from a customer is secured and before the commencement of the manufacturing process, our manufacturing team will first submit to our inventory department on the required raw materials and supplies needed. This may include materials and supplies such as steel rod, plastic sheets, plastic pipes and wooden or plastic shaft to further supplement our manufacturing process of the final product.

6. INFORMATION ON OUR GROUP (cont'd)

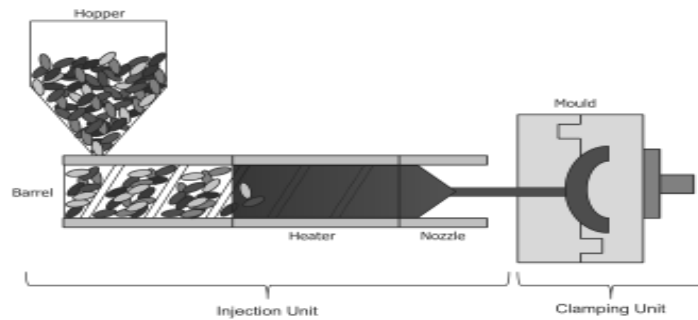
We may also engage the service of subcontractors to handle certain aspects of our manufacturing activities, if needed, such as highly precise fabrication process and other accessories that are involved in welding, metal bending and metal casting. Our manufacturing team will determine the types and grade of raw materials and supplies to be used by our subcontractors in order to standardise our final product specifications and quality. During the financial years under review, total subcontract costs accounted for less than 1.0% of our cost of sales.

The typical process flow for our manufacturing activities is depicted below:



(b) Production of the brush core

The first step will be the production of the brush core, which can either be made out of plastic or metal materials, depending on the type of industrial brush product to be manufactured. The core for circular brush, lath brush and household brush are made out of plastic materials while roller brush's shaft core is produced with the combination of steel rod and plastic pipe materials. The core that is made using plastic materials are produced through a plastic injection moulding process.



Plastic injection moulding process

The first step of the plastic injection moulding process involves the clamping of the mould. The moulds are closed shut, and the heated plastic is forced by the pressure of the injection screw to take the shape of the mould. The clamping unit is one of three standard parts of the plastic injection moulding machine which also includes the mould and the injection unit. The clamp is the unit to hold the mould.

6. INFORMATION ON OUR GROUP (cont'd)

The next step involves the actual injection of the melted plastic. This process involves the melting of plastic pellets or granules by inserting them into a large hopper; a large open bottomed container which feeds the pellets down to the screw. The screw is rotated by a motor, feeding pellets up the screw-type nozzle. The heated plastic is being compressed under pressure from the moving injection screw. As the screw rotates, the pellets are moved forward in the screw and they undergo extreme pressure and friction which generates most of the heat needed to melt the pellets. Meanwhile, heaters on either side of the screw assist in the heating and temperature control during the melting process. Here, the melted plastic will remain in the mould where it is being clamped under pressure until it cools.

The next couple of steps comprise the dwelling phase which basically involves ensuring that all cavities of the mould are filled with the melted plastic. After the dwelling phase, the cooling process begins and continues until the plastic becomes solid inside the form. The water-cooling channels will assist in cooling the mould and the heated plastic solidifies into the core. The cycle is completed when the mould is opened and the newly formed plastic core is ejected with the assistance of ejector pins within the mould. The plastic core is then cleaned of any extra plastic residue from the mould.

We will design the mould based on the required core specifications and outsource the mould fabrication to third party mould fabricators, while pre-existing moulds can be used for routine orders or long-standing products. The roller shaft core production involves cutting the steel rod into the desired length using the metal cutting bandsaw. Next, manually controlled lathe machine is used to remove any excess materials in order to achieve the desired designs and dimensions. Plastic pipe that acts as the plastic core is then cut according to the required dimension of the steel shaft.



Preparation of raw materials/supplies



Cutting process (steel rod)

The cut-to-size plastic pipe is then inserted to the steel shaft. This completes the production of the roller shaft core and is ready for the following production step.



Steel rod machining process



Cut-to-size plastic pipe inserted to machined steel rod

6. INFORMATION ON OUR GROUP (cont'd)

For other types of industrial brushes, flat base materials such as plastic or metal sheets are used for the manufacturing of disc brush and commercial cleaning brush, and galvanised strip or stainless steel strip are used to produce spiral brush and strip brush. Flat base materials are cut using electric cutter based on the artwork designs received from customers, to form the core. Surface finishing is then carried out to enhance the appearance of the cut piece.

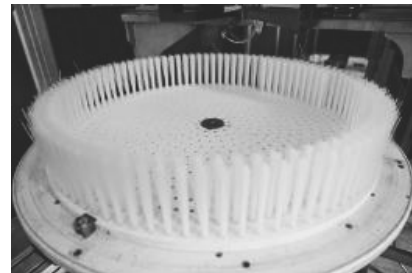
Spiral and strip brushes do not have a core. Instead, galvanised strip or stainless steel strip is used to form a U-shape, or as a holder of these brushes during the stripping process. The striping process is where the strip is placed at the bottom and bristles are laid on top of the strip with a retaining wire. The strip and bristles are then being pressed by a roller with additional spiralling process step is carried out in order to form the desired specification.

(c) Bristles cutting

Bristles that have been cut to the desired length using semi-automatic monofilament hanks cutting machine based on the products' requirement are then ready for stapling onto the different brush cores produced.

(d) Drilling and tufting

Tufting process involves both holes drilling and implanting of bristles into the plastic core that is produced from the injection moulding process. A CNC continuous cycle drilling and filling machine is used for the drilling and tufting processes with the desired holes design specifications inputted to the CNC machine's control. Once the holes are produced on the plastic brush core, bristles implantation process will be carried out.



(e) Trimming

After the bristles are implanted, they are trimmed to ensure all bristles are of the same length. Different types of trimming machines are used to perform trimming process for different brush products.

(f) Packing and delivery

Final products that pass our QC inspection test are then packed and ready for delivery as per our customers' delivery instructions. Prior to delivery to our customers through our logistics team, outgoing checks are conducted to ensure the finished products are delivered as per our customers' orders and requirements.

6. INFORMATION ON OUR GROUP (cont'd)

6.9.2 Trading of industrial hardware and machinery parts

The process flow of our trading activities is as follows:



(a) Enquiries/sale orders received

Enquiries and sales orders received are handled by our sales and marketing team, who are equipped with the product knowledge to provide customers with the required technical information, advise and specifications.

(b) Processing of orders

We will then proceed to check our inventory and prepare the internal order fulfilment form. For the products which we do not keep stock or are out of stock, we will then place an order with our approved suppliers. Generally, our suppliers will take between 3 to 7 working days for delivery. Once we received the products from our suppliers, we will conduct an inspection upon receipt to ensure products received matches the delivery orders and specifications. Any products that do not meet the order and specifications are returned to our suppliers.

(c) Delivery

After the delivery order is created and approved, the products are packed according to the purchase order and then delivered to our customers.

6.9.3 Warranty and after-sales services

We do not provide any product warranty to our customers. For our trading segment, our product warranties are provided by our suppliers. However, our Group provides after-sales service by reconditioning to our existing customers' used industrial brushes under our manufacturing segment. Reconditioning of industrial brushes refers to the repair and refurbishing services of industrial brushes which includes refurbishing, cleaning, refilling, mending or reconditioning of used industrial brushes. This includes refilling industrial brushes with new bristles as well as developing and repairing industrial brush design problems. There are no specific tenure and/or terms of the reconditioning services provided. Upon receiving the service request from our customers, we will perform visual inspection to assess the condition of the used industrial brushes and if the core is still in good condition/not broken, we will then proceed to recondition the industrial brushes. However, if we are unable to recondition the used industrial brushes due to broken brush core, we will advise our customers to purchase new industrial brushes from us.

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

The typical process flow for our brush reconditioning activities is depicted below:

Process	Description
Bristles removing	After we received used and worn brushes from our customers, our manufacturing workers will first remove all the bristles from the core by hand.
Core cleaning	The hole of core/base that are deposited with dirt, residues, debris and/or fibres will then undergo a cleaning process using cleaning detergent solution.
Bristles cutting	Bristles that have been cut to the desired length based on customers' requirement are ready for tufting onto the cleaned core.
Manual sewing	Production workers will then sew the bristles into the core manually.
Trimming	After the bristles are sewn, they are trimmed to ensure all bristles are of the same length.
Packing and delivering	Finished products that pass our QC inspection test are then packed and delivered to our customers through our logistics team.

As part of our after-sales services, we will carry out customer service with both our local and overseas customers through direct visits (prior to the COVID-19 pandemic outbreak), email and phone. By having regular communications with our customers, we are able to better understand and ascertain customers' current and future needs and requirements.

6.10 OUR COMPETITIVE STRENGTHS

6.10.1 Ability to manufacture custom-made industrial brushes to cater for customer's varying manufacturing needs and requirements

We have been manufacturing custom-made industrial brushes since 2009 and have 13 years of experience in manufacturing custom-made industrial brushes. We presently manufacture a total of 6 types of custom-made industrial brushes, which are customised based on varying manufacturing requirements, usage and applications by our customers. Our industrial brushes can be custom-made in accordance to our customers' manufacturing request and requirements in order to customise the suitable industrial brush that fit for their varying manufacturing demands. We customise our purpose made industrial brushes by understanding and assessing the manufacturing needs of our customers which require the right customised industrial brush for their manufacturing and assembly lines. Our ability in customising and manufacturing these custom-made industrial brushes are backed by our in-house manufacturing capabilities and technical team. We are able to customise nearly every aspect of an industrial brush, including the brush length, bristle length, stiffness, density, coarseness and fill materials for differing manufacturing requirements. We consider our ability to design and manufacture custom-made industrial brushes as our competitive advantage as we have the ability to design and manufacture our range of custom-made industrial brushes in accordance to our customers' specifications and manufacturing needs. Our Group's ability in designing and manufacturing custom-made industrial brushes is backed by the integration of our in-house design and machining expertise. We have in-house design team with designated engineering expertise to carry out the various functions in the design and manufacturing of custom-made industrial brushes.

Over the years, we have invested and expanded our in-house manufacturing capabilities that have allowed us to manufacture and customise industrial brushes from the initial design (in terms of type of usage, material and length to fit for our customer's manufacturing purposes) to manufacturing. The integration of our in-house manufacturing expertise and capabilities

6. INFORMATION ON OUR GROUP (cont'd)

have enabled us to be flexible in providing customisation solutions to our customers. We are more responsive to the manufacturing needs and requirements of our customers as we are able to manufacture custom-made industrial brushes based on their specific requirements within a shorter manufacturing lead time. We participate in the early stages of our customers' product development, constantly engaging with our customers to facilitate in development of product to fits their manufacturing requirements and needs. The industrial brushes go through our development process to develop and refine the industrial brushes' design and specifications. Our team will also assess and provide design manufacturability and production feedback on quality, quantity and raw material requirement to our customers. Where requested by our customers, prototypes of designed product will then be produced and pass to our customer for approval before the product goes into production.

6.10.2 We are well-equipped with a fleet of machineries and equipment, enabling us to improve our manufacturing capabilities and efficiency

Our manufacturing facility is equipped with machineries and equipment that facilitate most of the manufacturing processes of our industrial brushes (such as cutting of filament hanks as well as trimming and flagging of bristles). Our ability to provide different types of industrial brushes comes from our continuous investments in advanced machineries and equipment such as semi-automated CNC continuous cycle drilling and filling machineries, CNC lathe machine, CNC milling machine, trimming and flagging machine, bristle cutting machines This has allowed us to improve our overall manufacturing capabilities and efficiency in terms of manufacturing outputs of industrial brushes to cater for the increasing demand of our range of industrial brushes and quality consistency whilst enabling us to manufacture customised industrial brushes based on our customers' specific manufacturing needs and requirements. Our improved manufacturing capabilities and efficiency has allowed us to increase our overall industrial brushes manufacturing output from 1.57 million pieces of industrial brushes in FYE 2018 to 2.37 million pieces of industrial brushes in FYE 2021.

We are able to maintain the precision in the manufacturing of our industrial brushes and thus minimising manufacturing defects, reducing overall production time as well as allowing us to ensure timely delivery on our customers' orders.

We believe that our commitment to our manufacturing capabilities and efficiency has accorded us with an established track record in the manufacturing of industrial brush industry in Malaysia. As a testament to our product and service quality, we have supplied our industrial brushes, industrial hardware and machinery parts to established players in the rubber gloves manufacturing industry (such as Top Glove, Hartalega Group and Careplus Group).

6.10.3 We have an experienced Executive Directors and management team

Our Group is managed by our Managing Director, Executive Directors and management team, whom possess in-depth knowledge, expertise and experience in the manufacturing and trading industry. Our Group is led by our Managing Director, Ang Lee Leong, who is assisted by our Executive Directors, namely Ang Lee Seng and Chee Wai Ying (who each has more than 26 years' experience in their respective fields) as well as Ang Poh Yee, and they have played instrumental roles in the development and growth of our Group. They are also supported by a group of dedicated employees with diverse backgrounds and experiences in the manufacturing and trading business segments. This enables us to consistently provide reliable service to our customers and effectively deliver industrial brushes, industrial hardware and machinery parts in accordance to our customers' requirements.

Our Group believes that the experience of our management team and technical knowledge of our technical team will enable us to continue to expand our business as well as market presence.

6. INFORMATION ON OUR GROUP (cont'd)

6.10.4 We have established and maintained long business relationships with both of our customers and suppliers

We have established and maintained long business relationships with both our customers and suppliers which have enabled us to remain competitive in the industrial brush industry. As at the LPD, we have established between 2 and 20 years of business relationships with our major customers as well as between 7 and 21 years with our major suppliers. Due to our capabilities, expertise and track record, we have developed long relationships with a portfolio of reputable customers in the rubber gloves manufacturing industry (such as Top Glove, Hartalega Group and Careplus Group), as evidenced by the recurrent purchase orders from these customers over the years. The rubber gloves manufacturing industry has been our major revenue contributor, contributing 77.4%, 78.7%, 88.0% and 85.4% of our Group's total revenue for the FYE 2018, FYE 2019, FYE 2020 and FYE 2021, respectively.

We also have a diversified customer base from others industries including industrial manufacturing, E&E contract manufacturers, food processing, glass making and wooden manufacturing as well as industrial and commercial cleaning. Our capability in the manufacturing a wide range of industrial brushes that meet the specifications and manufacturing standards required by our customers has enabled us to maintain customer relationships as well as expand our customer base through the recommendations of our existing customers.

Further, we also comply with stringent supplier selection processes such as business reviews and factory visits. We have maintained our good working relationship with our suppliers to ensure timely delivery of raw materials and supplies. Please refer to Sections 6.28 and 6.29 for further details of our business relationships with our major customers and major suppliers, respectively.

6.10.5 We have a comprehensive range of products

Our industrial brushes comprise roller brush, lath brush, circular brush, disc brush, spiral brush, forklift sweeper, twist brush, strip brush, oil brush, sweeping and cleaning brushes, custom-made brushes as well as household brushes. We also distribute a range of industrial hardware and machinery parts which complements our manufacturing of industrial brushes business segment to support our customers with their manufacturing or production hardware needs.

Our ability to provide a comprehensive range of industrial brushes, industrial hardware and machinery parts allowed our Group to cross sell our products to our customers. From our customers' perspectives, the ability to source most of its manufacturing requirements from a single supplier will reduce the supply chain cost and inconvenience of dealing with multiple suppliers through the sourcing of available industrial hardware and machinery parts from a single source for our customers' manufacturing needs.

6.10.6 We are committed to stringent quality assurance

We place emphasis on product quality and are committed to quality consistency of our industrial brushes that meet the manufacturing requirements and needs of our customers. Our QMS efforts in quality control are demonstrated where we have been assessed and accredited with ISO 9001:2015 by BSC with the scope of "manufacturing of consumer and industrial brushes". Further, we are able to propose design manufacturability to our customers through our in-depth technical knowledge in the manufacturing of industrial brushes as a means of creating solutions for their specific manufacturing needs. This is a value-added service to our customers as it provides them with the assurance of our product quality and functionality.

We have also been recognised as the approved vendor by our customers especially in the rubber gloves manufacturing industry, where we have undergone a stringent supplier selection process and were subjected to audit assessments to ensure we comply with their manufacturing requirements. We believe our technical expertise and commitment to strict quality control

6. INFORMATION ON OUR GROUP (cont'd)

standards have been and will continue to be vital in establishing our reputation as a reputable industrial brushes manufacturer as well as distributor of industrial hardware and machinery parts.

6.11 SEASONALITY OR CYCLICAL EFFECTS

Our Group's business activities are not subjected to any cyclical or seasonal trend. Our customers and suppliers operate throughout the year and, thus we may receive purchase orders at any time during the year.

6.12 TYPES, SOURCES AND AVAILABILITY OF MAJOR RAW MATERIALS AND SUPPLIES

The key raw materials and components that we use for our manufacturing segment are readily available and sourced from local and foreign suppliers. We normally keep inventory levels of raw materials as well as supplies of industrial hardware and machinery parts of between 1 to 3 months. Our trading segment does not purchase raw materials as it is involved in the trading of finished goods/products, which are purchased from resellers, distributors and hardware dealers.

We generally take into account supplier lead time to prevent potential major disruptions to our manufacturing activities. All selected suppliers are evaluated in terms of pricing, manufacturing capacities, range and technical specifications of raw materials and components, ability to meet our quality requirements and delivery in a timely manner. We also carry out annual review for our list of suppliers to evaluate the quality of products and services throughout the year to ensure the quality of raw materials and supplies used in our manufacturing operations.

The following table sets out the major types of raw materials and supplies purchased by our Group for our manufacturing operations for the financial years under review:

Type of raw materials/ supplies	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	(2)%	RM'000	(2)%	RM'000	(2)%	RM'000	(2)%
Raw materials for manufacturing of industrial brushes ⁽¹⁾	7,336	49.2	7,823	49.5	9,057	45.8	14,783	58.9
Industrial hardware and machinery parts	7,587	50.8	7,976	50.5	10,709	54.2	10,325	41.1
Total	14,923	100.0	15,799	100.0	19,766	100.0	25,108	100.0

Notes:

- (1) The breakdown of the raw materials and supplies purchased for our manufacturing segment are as follows:

Raw materials / supplies	Audited							
	FYE 2018		FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Monofilament materials	5,941	81.0	6,307	80.6	7,111	78.5	12,347	83.5
Plastic materials	671	9.1	651	8.3	801	8.8	1,053	7.1
Others (packing materials, wires, metal strip, broom accessories and stickers)	724	9.9	865	11.1	1,145	12.7	1,353	9.4
Total	7,336	100.0	7,823	100.0	9,057	100.0	14,783	100.0

- (2) Based on our Group's total purchases during the financial years under review.

6. INFORMATION ON OUR GROUP (cont'd)

Our Group's major raw materials mainly consist of monofilaments materials. The following is the analysis of the cost of monofilaments materials purchased during the financial years under review:

	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
<u>Monofilament materials</u>				
Cost (RM'000)	5,941	6,307	7,111	12,347
Volume (kg)	428,034	434,672	553,785	746,502
Average cost per kg	13.88	14.51	12.84	16.54

The prices of these monofilament materials are dependent on the crude oil prices and global transportation costs. The prices of these monofilament materials have been generally stable where the price fluctuations not exceeding 15.0% during FYE 2018 to FYE 2020. However, during FYE 2021, the average cost per kg of monofilament materials increased by approximately 28.8%, which was mainly affected by the increase of global crude oil prices. We expect that the prices of monofilament materials will continue to fluctuate in tandem with the fluctuation of the global crude oil prices and global transportation costs. We have not experienced any major interruptions in supply of raw materials for our manufacturing segment during the financial years under review, including during the various lockdown periods imposed in Malaysia due to the COVID-19 pandemic outbreak. In order to ensure a stable supply of raw materials and supplies, we practice quarterly production planning and will proceed to order our raw material purchase for usage in the next quarter.

6.13 BUSINESS DEVELOPMENT AND MARKETING ACTIVITIES

Our business development and marketing activities are executed by our Sales and Marketing team. As at the LPD, our sales and marketing team for our manufacturing segment consists of 8 personnel which is led by our Managing Director, Ang Lee Leong. Our sales and marketing team for our trading segment consists of 4 personnel which is led by our Executive Director, Ang Lee Seng. The sales and marketing team are principally responsible for developing sales and distribution of our Group's products, as well as maintaining relationships with our customers and suppliers. We secure our sales by approaching our customers directly, our sales offices and through referrals as detailed below:

(a) Direct approach

Our sales and marketing team serves our end-customers directly for their manufacturing requirements. We have dedicated sales personnel that are accountable to our customers. This direct approach has allowed our Group to work closely with our customers where we are able to evaluate and attain a better understanding of customers' manufacturing requirements, which also serves as a feedback mechanism for continuous product improvement.

(b) Sales office

We have 2 sales offices, namely our Ipoh Sales Office and Klang Sales Office, servicing our existing and walk-in customers. In 2019, we have set up 2 foreign sales and marketing offices in Padang Besar, Thailand and Medan, Indonesia, which enables us to better serve our target customers in these countries, especially rubber gloves manufacturers with manufacturing facilities located in these locations.

6. INFORMATION ON OUR GROUP (cont'd)

(c) Trade exhibitions and events

We exhibit our range of products in various trade exhibitions and events namely the 9th International Rubber Glove Conference and Exhibition 2018 and Metaltech 2018 held in Malaysia as well as Plastic & Rubber Indonesia 2019 held in Jakarta, Indonesia. We believe that our participation in these trade exhibitions and events enhances our brand visibility as these trade exhibitions and events enable us to showcase our product offerings. Additionally, such participation also provides us with significant opportunities to meet potential customers and stay updated on market trends.

(d) Referrals from customers and business associates

We have been in the manufacturing of industrial brushes as well as trading of industrial hardware and machinery parts for 30 years and have built our reputation based on quality products and services provided to our customers. This has resulted in the development and establishment of mutually beneficial relationships with our customers. This has enabled us to secure new customers through referrals from our existing customers and business associates.

(e) Corporate website



We also maintain a corporate website at <http://www.yewlee.com.my> which provides information on our Group and details of our product offerings. In addition, we also circulate our corporate profile and product brochures to our prospective customers from time to time. This consists of information about our products, major customers, manufacturing capabilities and accreditations.

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6. INFORMATION ON OUR GROUP (cont'd)

6.14 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.	Trademarks	Applicant/ Registered owner/Licensee	Trademark application number	Class/ Description	Place of registration	Issuing Authority	Validity period
(a)		® YPLM	TM2012018712	Class 21 / Brushes	Malaysia	Intellectual Property Corporation of Malaysia ("MyIPO")	6 November 2012 to 6 November 2022 ⁽¹⁾
(b)		YPLM	TM2020022944	Class 21 / Acid-proof wash brushes used for the application of acid to vehicles for cleaning purposes; automobile wheel cleaning brushes; bottle brushes; brush-making materials; brushes (except paint brushes); brushes (except paintbrushes); brushes for applying make-up; brushes for cleaning bottles; brushes for cleaning camera lenses; brushes for cleaning for household purposes; brushes for cleaning medical instruments; brushes for cleaning tanks and containers; brushes for household purposes; brushes for household use; brushes for pipes; brushes used for cleaning medical instruments; cleaning brushes for household use; electric toothbrush replacement heads; electric toothbrushes;	Malaysia	MyIPO	Note (2)

6. INFORMATION ON OUR GROUP (cont'd)

No.	Trademarks	Applicant/ Registered owner/Licensee	Trademark application number	Class/ Description	Place of registration	Issuing Authority	Validity period
				electrical toothbrushes; filaments for making brushes; floor brushes; manual toothbrushes; material for brush-making; scrubbing brushes; shoe brushes; synthetic fibers for brushes; synthetic fibres for brushes; toilet brush holders; toilet brush sets; toothbrush bristles; toothbrushes; toothbrushes for babies; toothbrushes for children; toothbrushes, electric or non-electric; vegetable brushes; washing brushes; wire brushes, not being machine parts; non-electric toothbrushes.			

Notes:

- (1) Our Group intends to submit a renewal application for this trademark to MyIPO by June 2022. In the event of non-renewal of this trademark, we would not be able to use this trademark on our products on an exclusive basis. However, we do not expect that our business operations and financials to be materially impacted in the event that we are not able to use the trademark on an exclusive basis as we work closely with our customers on the sale of industrial brushes.
- (2) We have on 6 October 2020 made an application to MyIPO for the registration of this trademark. MyIPO had, vide their letter dated 11 August 2021, informed us of its provisional refusal for our application due to the non-distinctive elements of this trademark. We had on 17 August 2021 filed an appeal against the provisional refusal and MyIPO had, vide their email dated 1 October 2021, informed us that they expect to review our appeal in the second half of 2022, due to a backlog of applications received. Notwithstanding the above, the non-registration of this trademark will not have a material implication to our Group as a similar trademark bearing the word "YL" set out on Section 6.14(a) is currently held and utilised by our Group.

Our Group's business or profitability is not dependent on any intellectual properties.

6. INFORMATION ON OUR GROUP (cont'd)

Our competitor, namely Yew Lee Industrial Brush Sdn Bhd, shares a similar name with our Group. However, we do not consider this to be a material risk to our Group due to the following reasons:

- (a) due to the nature of our business activities, our range of industrial brushes are mainly sold directly to manufacturers, which forms an important component to their manufacturing processes and as such, our customers will normally seek detailed information to understand its brush quality and specifications prior to making the initial order. In addition, we also work closely with our customers to manufacture customised brushes that meet their manufacturing requirements and specifications. Other key considerations for our customers in placing purchase orders with our Group is also our ability to provide after-sales services. As such, the risk of our key customers in misidentifying Yew Lee Industrial Brush Sdn Bhd for our Group is not significant. During the financial years under review, our Group are not aware of any such incidences;
- (b) our major customers as disclosed in Section 6.28 have long established business relationships with our Group spanning between 2 to 20 years; and
- (c) our household brushes where the nature of such products is more generic to consumers (and as such may carry a higher risk of consumers misidentifying the manufacturer of household brushes) only contribute less than 2% of our revenue during the financial years under review.

6.15 MAJOR APPROVALS, LICENSES AND PERMITS

As at the LPD, save as disclosed below, there are no other major approvals, licences and permits issued to our Group (including our associate company, Yew Lee Thailand) in order to carry out our operations:

No.	Licensee	Issuing Authority / Registration No. / License No.	Date of issue / Date of expiry	Nature of approval or license	Equity and/or major conditions imposed	Compliance status
(a)	YLPM	MITI / A018796	15 August 2012 ⁽¹⁾ / -	Manufacturing license for our Manufacturing Facilities for industrial brush and broom	(a) The address stated in the licence is subject to approval by the State Government and Department of Environment; (b) MITI and the Malaysian Investment Development Authority must be notified of the sale of shares in the company;	Complied See Note (2) Noted

6. INFORMATION ON OUR GROUP (cont'd)

No.	Licensee	Issuing Authority / Registration No. / License No.	Date of issue / Date of expiry	Nature of approval or license	Equity and/or major conditions imposed	Compliance status
(b)	YLPM	Batu Gajah District Council / L-0007285-03	17 November 2021 / 16 November 2022	Industrial license to operate business and to place signboard at our Manufacturing Facilities	(c) The company is required to train Malaysian citizens accordingly to facilitate the transfer of expertise and technology to all levels of employees; and (d) The company must undertake its projects in accordance with the rules and regulations in Malaysia.	Noted
(c)	YLPH	Ipoh City Council / L0108222-01	3 May 2022 / 2 May 2023	Business license to operate business at our Ipoh Sales Office	None	-
(d)	YLPH	Klang Municipal Council / LL0101068309120096	16 December 2021 / 16 December 2022	Business license to operate business and to place signboard at our Klang Sales Office	None	-
(e)	YLPM	Fire and Rescue Department of Malaysia / JBPM:PK/7/7/2021	26 August 2021 / 25 August 2022	Fire Certificate for our Manufacturing Facilities	The life safety, fire prevention, fire protection and firefighting requirements in our Manufacturing Facilities shall remain in good order at all times	Complied

6. INFORMATION ON OUR GROUP (cont'd)

No.	Licensee	Issuing Authority / Registration No. / License No.	Date of issue / Date of expiry	Nature of approval or license	Equity and/or major conditions imposed	Compliance status
(f)	Yew Lee Indonesia	Management and Organising Institution of Indonesia / 9120408921129	12 September 2019 / -	Operational commercial permit for the place of operation at Yew Lee Indonesia's office in Medan, Indonesia ⁽³⁾	None	-

Notes:

- (1) Kindly refer to Section 6.24 for YLPM's compliance with the Industrial Co-ordination Act 1975.
- (2) We shall notify both MITI and the Malaysian Investment Development Authority upon completion of the Acquisition of YLPM.
- (3) Yew Lee Indonesia had on 1 September 2021 relocated its office to the property set out in Section 6.21.2(b). As such, Yew Lee Indonesia on 21 April 2022 obtained the approval for its application for the change of address with the relevant authorities in Indonesia.

Our Group's business or profitability is dependent on the above approvals, permits and licenses.





6.16 RESEARCH AND DEVELOPMENT

Due to the nature of our business activities, we do not carry out any research activities. However, we undertake product design and development activities to manufacture custom-made industrial brushes to cater for our customer's varying manufacturing requirements and needs. We participate in the early stages of our customers' product development as well as constantly engaging with our customers to better offer custom-made industrial brushes to fit their manufacturing requirements. We are equipped with our in-house manufacturing capabilities that have allowed us to manufacture and customise industrial brushes from the initial design to manufacturing stage. Where requested by our customers, prototypes of designed industrial brushes will then be produced and passed on to our customers for approval before the product goes into mass manufacturing. Throughout the years, we have been able to introduce new and improved range of industrial brushes to our customers.



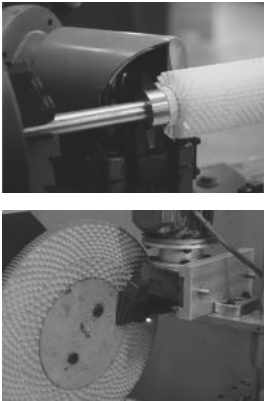
6. INFORMATION ON OUR GROUP (cont'd)

6.17 TECHNOLOGIES USED OR TO BE USED

As at the LPD, our Group relies on various types of machineries and equipment used under our manufacturing activities (both industrial brushes and household brushes), as follows:

Machinery/equipment	Functions	No. of units	⁽¹⁾Average lifespan (years)	Average age (years)
 <p>Semi-automated CNC continuous cycle drilling and filling machine</p>	<ul style="list-style-type: none"> Used for hole drilling and monofilament tufting continuous process during brush manufacturing. Use of information technology helps to achieve higher accuracy and precision, performing through a controlled mechanism process involving a series of movements and operations that has been pre-determined via a programme entered into its in-built computer. 	14	10	8
 <p>Manual lathe machine</p>	<ul style="list-style-type: none"> Used for machining of metal workpiece by cutting and/or shaping to a desired design manually. Manually controlled machine where a workpiece is rotating on the machine's axis while a cutting tool shapes the workpiece to form a desired design. 	9	10	9
 <p>Semi-automatic monofilament hanks cutting machine</p>	<ul style="list-style-type: none"> Used for monofilament cutting process. Hand operated monofilament hanks cutting machine where hanks are inserted by hand, fixed by 2 clamps and pushed into position for cutting. 	3	10	10
 <p>Plastic injection moulding machine</p>	<ul style="list-style-type: none"> Used for production of plastic core. Melting plasticise moulding materials i.e. plastic pellets or granules inside the heating screw-type nozzle and inject into the mould to create moulded product. 	6	10	7

6. INFORMATION ON OUR GROUP (cont'd)

Machinery/equipment	Functions	No. of units	⁽¹⁾Average lifespan (years)	Average age (years)
 <p>Strip brush machine</p>	<ul style="list-style-type: none"> Used for production of strip brush. 	1	10	10
 <p>Twist brush machine</p>	<ul style="list-style-type: none"> Used for production of twist brush. 	1	10	8
 <p>Trimming machine</p>	<ul style="list-style-type: none"> Used for bristles trimming process. Featured with flat or curved profiles to perform bristles trimming process for various types of industrial brush products. 	20	10	8

Note:

(1) Based on the estimated useful lives of the manufacturing machineries and equipment used in the audited financial statements for computing depreciation. However, with proper maintenance and regular service performed on these manufacturing machineries and equipment, we anticipate that these manufacturing machineries and equipment can operate beyond its estimated useful lives.

As at the LPD, we are using the following key software for our manufacturing processes:

Software	Description
Enterprise Resource Planning System	Computer software programme that an organisation uses to manage day-to-day business activities such as accounting, procurement, order management and supply chain operations.
SolidWorks	SolidWorks is a 3D computer-aided design software that is used for planning, visual ideation, modelling, feasibility assessment, prototyping, and project management to develop sophisticated 3D models and simulations.

6. INFORMATION ON OUR GROUP (cont'd)

6.18 OPERATING CAPACITIES AND OUTPUT

The following table shows our Group's operating manufacturing capacity and capacity utilisation rate of industrial brushes for the financial years under review and up to the LPD:

Period	Operating days ⁽¹⁾	Number of operating manufacturing lines	⁽²⁾ Maximum production capacity (pieces)	Actual production output (pieces)	Production utilisation (%)
FYE 2018	295	11	1,867,347	1,569,807	84.1
FYE 2019	296	11	1,873,677	1,593,307	85.0
FYE 2020	298	12	2,639,448	2,120,616	80.3
FYE 2021	294	13	2,755,057	2,374,215	86.2
1 January 2022 up to the LPD	85	14	⁽³⁾ 878,988	501,481	⁽⁴⁾ 57.1

Notes:

- (1) Based on 1 shift per day and 6 days of operations per week.
- (2) Based on 8 hours shift per day, an overtime of 4 hours a day, 6 days per week and average of 0.96 minutes to produce 1 unit of industrial brush.
- (3) The production capacity for the period up to the LPD was based on the pro rated annual maximum production capacity of 3,081,630 pieces of industrial brushes per annum, after taking into consideration the purchase of 1 unit of semi-automated CNC continuous cycle drilling and filling machine of EUR0.16 million (equivalent to approximately RM0.77 million and was funded via our Group's internally generated funds).
- (4) The lower utilisation rate during this period was due to increase in production capacity by an additional 1 unit of semi-automated CNC continuous cycle drilling and filling machine and lower manufacturing activity of industrial brushes as a result of the Chinese New Year holidays in February 2022.

We calculate our annual manufacturing capacity for our industrial brushes by applying the following formula:

$$\text{Annual capacity (pieces)} = \frac{\text{Adjusted total yearly manufacturing minutes per CNC line} \times \text{Number of CNC lines}}{\text{Average time to produce 1 unit of industrial brushes}}$$

Parameters	Details
Adjusted total yearly manufacturing minutes per CNC line	The formula is as follows: Total yearly production minutes x (100% - Scheduled downtime ⁽¹⁾)

Note:

- (1) During FYE 2018, FYE 2019, FYE 2020, FYE 2021 and up to the LPD, the scheduled downtime was estimated at 2.0%.

Total yearly production minutes	The yearly manufacturing minutes per CNC line is calculated as follows: Operating days per annum x Number of hours per shift x 60 minutes
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6. INFORMATION ON OUR GROUP (cont'd)

Parameters	Details
Number of CNC lines	We were operating with a total of 11 CNC lines for FYE 2018 and FYE 2019, 12 CNC lines for FYE 2020, 13 CNC lines for FYE 2021 and 14 CNC lines for the period from 1 January 2022 up to LPD, respectively.

6.19 QUALITY CONTROL PROCEDURES

Our Group places emphasis on the quality of the industrial brush products that we manufacture. Our dedication to control of quality has been recognised and accredited with ISO 9001:2015.

6.19.1 ISO 9001:2015

Our Group adheres to a QMS that complies with international standards. Our commitment to quality can be showcased through our subsidiary YLPM, being accredited with ISO 9001:2000 QMS on 31 July 2008. The ISO 9001:2000 certification was accessed and accredited by BSC, with the scope of "manufacturing of consumer and industrial brushes". This accreditation was subsequently updated to ISO 9001:2015 certification on 3 September 2017.

6.19.2 Internal Quality Control Measures

Our QC procedures include quality checks at the following stages:

(a) Incoming quality control

We will conduct visual inspections on all incoming raw materials used in the manufacturing activities, in terms of its conditions against the requisite documents or purchase orders. Incoming raw materials that do not meet the requirements will be rejected and returned to the suppliers.

For our trading products, we purchase machinery parts and industrial hardware mainly from selected suppliers. We select our suppliers based on criteria including product and service quality, as well as reliability and their reputation in the market. We conduct visual inspection on the incoming products before we accept delivery from the suppliers.

(b) In-process quality control

Quality checks are performed across our manufacturing process. The product will be checked based on the process standards to ensure the product quality and requirements are met.

(c) Outgoing quality control

For both manufacturing and trading segment, prior to the warehousing and delivery process, the conditions of the packaged products will be checked to ensure conformity to our customers' requirements and orders.

6.19.3 HSE management policy

We believe that developing a conducive and safe environment for employees are in the best interest of our business and the public. We have set in place a HSE policy which includes the follows:

- (a) provide and maintain a healthy and safe working environment for our employees;
- (b) provide training to our employees to perform their job safely;

6. INFORMATION ON OUR GROUP (cont'd)

- (c) identify and investigate any unhealthy or unsafe working conditions that may affect employees and those around them or affect the environment and follow by the corrective measures;
- (d) comply with any instruction or measure on occupational safety and health and requirements of the provisions of Occupational Safety and Health Act, 1994; and
- (e) review this HSE policy when necessary.

Our Group adhere to the in-house health and safety policy to ensure that our employees' welfare and safety are being taken care as well as to aim for a zero-accident rate in the workplace. For the past 3 financial years, there were no major injuries or accidents in our workplace.

6.20 MATERIAL CONTRACTS

Save as disclosed below, there were no other 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 FYE 2018 to FYE 2021 and up to the date of this Prospectus.

- (a) letter of appointment dated 21 September 2021 in relation to the appointment of M&A Securities as the Principal Adviser, Placement Agent and Sponsor to our Company pursuant to our IPO;
- (b) sale and purchase agreement dated 19 April 2021 for the New Office entered into between YLPH and PDSB, the developer. The New Office is located within the commercial development known as Marq Bizpark @ North Klang. The purchase price of RM4,067,800.00 is to be settled in progressive stages according of the fourth schedule therein and does not taken into account the rebate given by PDSB of RM887,800.00 which is also expected to be received in stages). The construction of the New Office is expected to be completed in April 2024;
- (b) sale and purchase agreement dated 9 August 2021 between our Company and Ang Lee Leong, Chee Wai Ying and Ang Lee Seng for the Acquisition of YLPM, which was completed on 18 January 2022. The purchase consideration for the Acquisition of YLPM of RM25,898,601.60 was satisfied via the issuance of 327,830,400 new Shares to the Vendors at an issue price of RM0.079 each;
- (c) sale and purchase agreement dated 9 August 2021 between our Company and Ang Lee Leong, Chee Wai Ying and Ang Lee Seng for the Acquisition of YLPH, which was completed on 18 January 2022. The purchase consideration for the Acquisition of YLPH of RM5,648,199.80 was satisfied via the issuance of 71,496,200 new Shares to the Vendors at an issue price of RM0.079 each; and
- (d) Underwriting Agreement.

6. INFORMATION ON OUR GROUP (cont'd)

6.21 PROPERTY, PLANT AND EQUIPMENT

6.21.1 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 / Postal address / Title details	Category of land use / Tenure	Description of property / Existing use	Express Conditions / Restriction-in-interest / Encumbrances	Land area / Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV
							as at 31 December 2021 RM'000
(a)	YLPM						6,473
	Manufacturing Facilities⁽¹⁾	Industrial	Description of property A piece of industrial land comprising:-	Express Condition Commercial ⁽⁵⁾	Land area 219,368	1 November 2011 for the single storey factory with office	
	No. 18, Jalan Johan Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak	Tenure 60 years leasehold expiring on 6 May 2056	(i) a single storey factory with office; (ii) a single storey factory with warehouse; and (iii) a 3 storey hostel ⁽²⁾	Restriction-in-interest This land cannot be transferred, sub-leased or mortgaged without the approval of Menteri Besar Perak. This condition is exempted as long as the land is owned by Perbadanan Kemajuan Negeri Perak ("PKNP")	Built-up area Single storey factory with office – 32,938	19 May 2017 for the single storey factory with warehouse and a 3-storey hostel	
	PN 273415, Lot 226180, Mukim Sungai Terap, Daerah Kinta, Negeri Perak			Encumbrances Charged to Public Bank Berhad	3-storey hostel – 5,421		
			Existing use Currently used as our Manufacturing Facilities				

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner / Postal address / Title details	Category of land use / Tenure	Description of property / Existing use	Express Conditions / Restriction-in-interest / Encumbrances	Land area / Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV
							as at 31 December 2021 RM'000
(b)	YLPM Plot 19, Jalan Johan 2/1, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak	Category of land use Industrial	Description of property Double storey detached factory	Express Condition Commercial ⁽⁵⁾	Land area 21,775	7 July 1997	(3)852
	Tenure 60 years leasehold expiring on 6 May 2056	Restriction-in-interest This land cannot be transferred, sub-leased or mortgaged without the approval of Menteri Besar Perak. This condition is exempted as long as the land is owned by PKNP	Built-up area 6,623				
(c)	YLPM PT 8269, Jalan Johan 2/1, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak	Category of land use Industrial	Description of property Vacant Land	Express Condition Charged to Maybank Islamic Berhad	Land area 21,775	Not applicable	(3)360
	Tenure 60 years leasehold expiring on 6 May 2056	Restriction-in-interest This land cannot be transferred, leased, charged or encumbered without the approval of the Menteri Besar Perak. This condition is exempted as long as the land is owned by PKNP	Existing use Vacant		Built-up area N/A		

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner / Postal address / Title details	Category of land use / Tenure	Description of property / Existing use	Express Conditions / Restriction-in-interest / Encumbrances	Land area / Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV
							as at 31 December 2021 RM'000
(d)	YLPH Ipoh Sales Office⁽⁴⁾ No. 17, Jalan Bijeh Timah, 30000 Ipoh, Perak	Category of land use Building Tenure Freehold	Description of property Corner 2 ½ storey shoplot Existing use Sales and marketing office to cover the northern region of Peninsular Malaysia	Express Condition Commercial Shop lot Restriction-in-interest None Encumbrances Nil	Land area 1,364 Built-up area 2,727	19 May 2021	413
(e)	YLPH Ipoh Warehouse⁽⁴⁾ No. 48, Jalan Pasar, 30000 Ipoh, Perak Geran 22281, Lot 701 U, Bandar Ipoh (U), Daerah Kinta, Negeri Perak	Category of land use Building Tenure Freehold	Description of property Corner 1½ storey shoplot Existing use Warehouse and storage space for our trading segment	Express condition Building Restriction-in-interest None Encumbrances Nil	Land area 1,600 Built-up area 1,585	17 June 2021	179

6. INFORMATION ON OUR GROUP (cont'd)

No.	Registered owner / Postal address / Title details	Category of land use / Tenure	Description of property / Existing use	Express Conditions / Restriction-in-interest / Encumbrances	Land area / Built-up area sq ft	Date of issuance of CF/CCC	Audited NBV
							as at 31 December 2021
							RM'000
(f)	YLPH						299
	Unit No. 03-05-02, Pangsapuri Seri Kasturi, No. 3, Jalan Setia Gemilang U13/45B, Bandar Setia Alam, Section U13 40170 Shah Alam, Selangor	Category of land use Building	5 th floor of 11 storey condominium/ Accommodation for Director and visiting outstation staff	Express condition Residential Building Restriction-in-interest None Encumbrances: Charged to Public Bank Berhad	Land area N/A Built-up area 949	16 October 2015	
	Geran 320382 M3/5/380, Lot 87764, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor	Tenure Freehold					

Notes:

- (1) In compliance with the section 28(1) of the Fire Services Act 1988, YLPM had on 26 August 2021 obtained the fire certificate issued by the Fire and Rescue Department of Malaysia. Please refer to Sections 6.15(e) and 6.24 for further details.
- (2) Kindly refer to Section 6.24 for our Group's compliance with the Worker's Minimum Standards of Housing and Amenities (Amendment) Act, 2019.
- (3) YLPM previously acquired both properties for a total purchase consideration of RM1.49 million.
- (4) YLPH had obtained the approvals from relevant authorities for the redrawn building plans as well as the CCC dated 19 May 2021 and 17 June 2021 for the Ipoh Sales Office and Ipoh Warehouse, respectively.
- (5) The express conditions of these properties are accurate according to the land searches conducted. Notwithstanding the inconsistency between the express conditions and category of land use, the existing use of these properties do not breach the said express conditions and category of land use and as such no remedial action is required.

As at the LPD, the properties owned by our Group are not in breach of any other land use conditions and/or are not in non-compliance with the 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)

6.2.1.2 Properties rented by our Group

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

No.	Postal address/ Title details	Landlord/ Tenant	Description Existing use	Built-up area sq ft	Period of tenancy / Rental per month
(a)	Klang Sales Office Postal address No. 29, Jalan Mahkota 1/KU2, Mutiara Bukit Raja 2 41050 Klang, Selangor Title details No. HS(D) 10336, PT 42859, Mukim Kapar, Daerah Klang, Negeri Selangor	Landlord Kong Keng Fooi Tenant YLPH	Description Intermediate double storey shoplot unit Existing use Sales and marketing office to cover the central and southern regions of Peninsular Malaysia	1,650	Period of tenancy 1 July 2021 to 30 June 2023 Rental per month RM2,300
(b)	Postal address Cemara Street Number 5, 3 rd Floor (across RM Sederhana Komplek Cemara Asri), Deli Serdang Regency, Sumatera Utara Province, Indonesia	Landlord Linawaty Tenant Yew Lee Indonesia	Description Second floor of an intermediate 3 storey shophouse building Existing use Sales and marketing office to cover Indonesia	1,119	Period of tenancy 1 September 2021 to 1 September 2022 Rental per annum IDR6,000,000 (equivalent to approximately RM1,776)
(c)	Postal address No. 28, Padang Besar Road, Tambol Padang Besar, Songkhla, 90240 Thailand	Landlord Arunchai Sirimachai Tenant Yew Lee Thailand	Description Double storey bungalow shoplot unit Existing use Sales and marketing office to cover Thailand	1,076	Period of tenancy 1 February 2022 to 31 January 2023 Rental per month THB18,000 (equivalent to approximately RM2,421)

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