

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF TSA GROUP BERHAD (“TSA” OR “COMPANY”) DATED 27 DECEMBER 2023 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, definitions in the Prospectus shall apply through 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/Printer 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, AmInvestment Bank Berhad (“**AmInvestment Bank**”) or Tricor Issuing House & Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, Directors of the Company, Promoters, Principal Adviser, Sponsor, Placement Agent and Underwriter have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of the IPO Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective investors who may be in possession of the Electronic Prospectus are required to take note, to inform themselves of and to observe such restrictions.

Close of Application

Applications will be accepted from **10.00 a.m. on 27 December 2023 (Wednesday)** and will close at **5.00 p.m. on 17 January 2024 (Wednesday)**. In the event there is any change to the timetable, the Company will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on Website.

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.

TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))
(Incorporated in Malaysia under the Companies Act 2016)

www.tsa.com.my

Lot 3998, Jalan 6/2A,
Taman Industri Selesa Jaya,
43300 Balakong,
Selangor Darul Ehsan, Malaysia.

Phone: 603 - 8962 2888
Fax: 603 - 8962 1888



TSA GROUP BERHAD PROSPECTUS



TSA GROUP BERHAD

(Registration No. 202201010003 (1455700-A))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF TSA GROUP BERHAD (“TSA” OR “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING PUBLIC ISSUE OF 77,325,000 NEW ORDINARY SHARES IN TSA GROUP BERHAD (“SHARE(S)”) IN THE FOLLOWING MANNER:

- (A) 15,465,000 SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (B) 15,465,000 SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE PERSONS (AS DEFINED HEREIN);
- (C) 38,662,500 SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (“MITI”); AND
- (D) 7,732,500 SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN IPO PRICE OF RM0.55 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Placement Agent and Underwriter



AmInvestment Bank

AMINVESTMENT BANK BERHAD

(Registration No. 197501002220 (23742-V))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

INVESTORS 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 209.

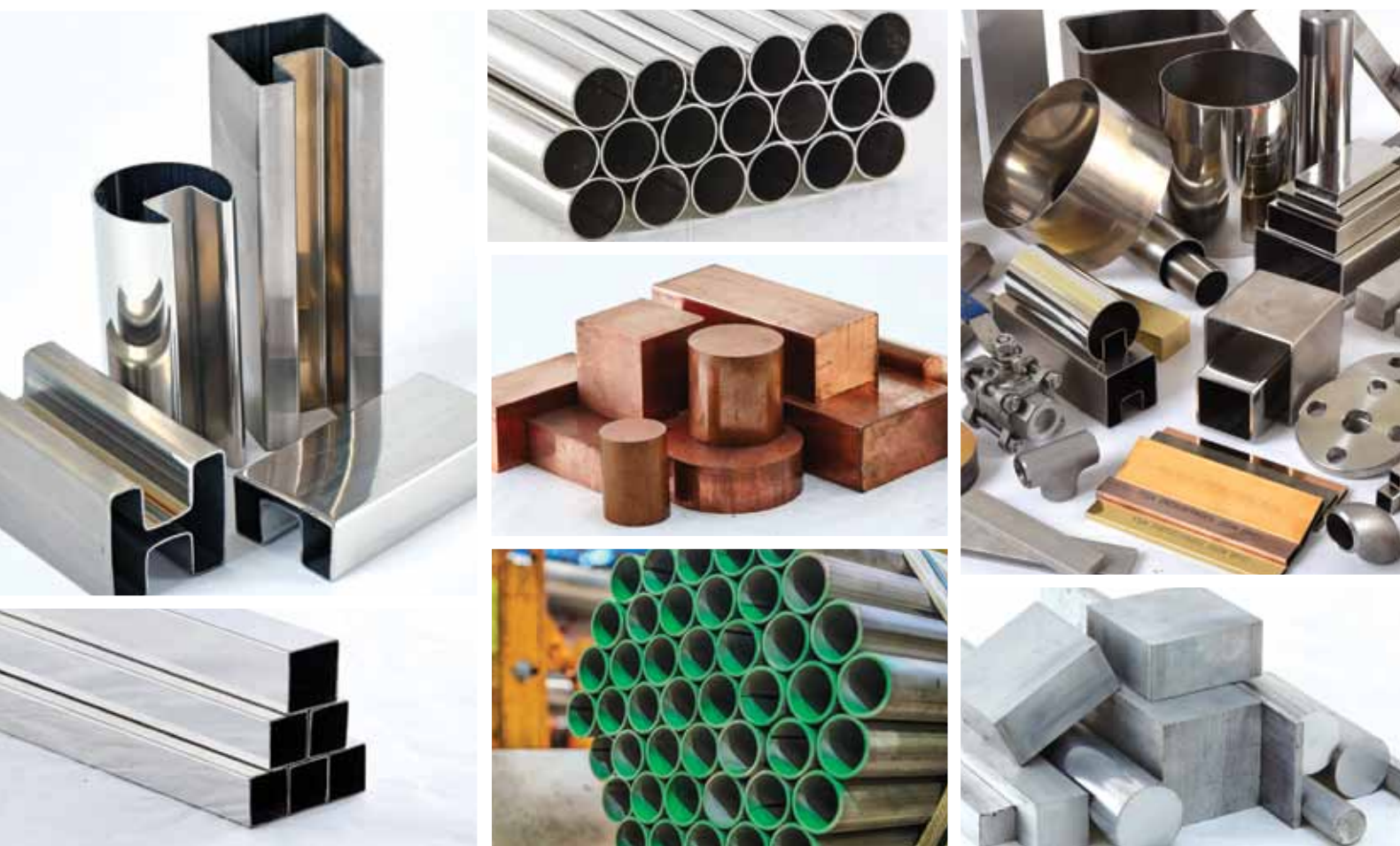
BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL FOR THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES, AND THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, 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.

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

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

THIS PROSPECTUS IS DATED 27 DECEMBER 2023



RESPONSIBILITY STATEMENTS

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

AmInvestment Bank Berhad ("**AmInvestment Bank**"), being our Principal Adviser, Sponsor, Placement Agent and Underwriter, 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.

STATEMENTS OF DISCLAIMER

Approval has been granted by Bursa Securities for the listing of and quotation for the securities being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of the offering, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our Company's 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 for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

OTHER STATEMENTS

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 this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act made in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares 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.

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 with 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.

This Prospectus is prepared and published solely for our IPO in Malaysia under the laws of Malaysia. Our IPO Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Principal Adviser, Sponsor, Placement Agent and Underwriter take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Principal Adviser, Sponsor, Placement Agent and Underwriter have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for our IPO Shares would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept

responsibility or liability in the event that any application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

The distribution of this Prospectus and the offering are subject to the laws of Malaysia. Our Company, Promoters, and Principal Adviser, Sponsor, Placement Agent and Underwriter take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of the securities of our Company based on this Prospectus or the distribution of this Prospectus outside Malaysia.

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any laws or countries or jurisdictions other than Malaysia to which you may be subjected to. 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.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined in this Prospectus) and the copy of this Prospectus registered by Bursa Securities are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) is subject to the risks of problems occurring during 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 in this Prospectus). 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, our Principal Adviser or the Issuing House (as defined in this Prospectus), a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus 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 is identical to the copy of the Prospectus registered by Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**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 Principal Adviser do not endorse and are not affiliated in any way to 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 Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites or for fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, 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 on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institutions are 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 which may be viewed via your web browser or other relevant software;
- (ii) the Internet Participating Financial Institutions 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 the Electronic Prospectus cannot be guaranteed because 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 cost, 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 the Electronic Prospectus which may arise in connection with or as a result of any fault or faults with the 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

The following events are intended to take place on the following dates:

Events	Date
Opening date of application for our IPO Shares	10.00 a.m., 27 December 2023
Closing date of application for our IPO Shares	5.00 p.m., 17 January 2024
Balloting of applications	19 January 2024
Allotment / transfer of our IPO Shares to successful applicants	30 January 2024
Listing on the ACE Market	2 February 2024

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

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

Asia Inox	:	Asia Inox Sdn Bhd (Registration No. 202301011146 (1505068-U))
Mitra Bintang	:	Mitra Bintang Sdn Bhd (Registration No. 200401008356 (646860-U))
Subsidiaries	:	Mitra Bintang, TSA Industries, TSA Pipes, TSA Singapore and Asia Inox, collectively
TSA or Company	:	TSA Group Berhad (Registration No. 202201010003 (1455700-A))
TSA Group or Group	:	TSA and the Subsidiaries, collectively
TSA Industries	:	TSA Industries Sdn Bhd (Registration No. 199301025961 (280699-W))
TSA Pipes	:	TSA Pipes Manufacturing Sdn Bhd (Registration No. 199401005295 (290974-K))
TSA Singapore	:	TSA Industries (SEA) Pte Ltd (Company No. 201007352G)

GENERAL

ACE Market	:	ACE Market of Bursa Securities
Acquisition of TSA Industries	:	The acquisition by our Company of the entire issued share capital of TSA Industries from the Vendors for a total purchase consideration of RM120,000,150.20, which was satisfied entirely by issuance of 231,974,000 new Shares. This acquisition was completed on 31 October 2023
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
Agricultural Land	:	A piece of agriculture land held under GRN 70294 Lot 2049, Mukim Lenggeng, Daerah Seremban, Negeri Sembilan
AmInvestment Bank or Principal Adviser or Sponsor or Placement Agent or Underwriter	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
Application	:	Application for our IPO Shares by way of Application Form, the Electronic Share Application and / or the Internet Share Application
Application Form	:	The printed application form for the application of our IPO Shares

DEFINITIONS (Cont'd)

Asia Oriental Commodities	:	Asia Oriental Commodities Sdn Bhd (formerly known as TSA Coal Trade Sdn Bhd) (Registration No. 199601022822 (395174-K))
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application, with respect to payments for our IPO Shares
Barisan Jutawan	:	Barisan Jutawan Sdn Bhd (Registration No. 200001033057 (535664-D))
Best Chemical	:	Best Chemical Sdn Bhd (formerly known as TSA Chemical Sdn Bhd) (Registration No. 200601006949 (726698-H))
Best Mineral	:	Best Mineral Resources Sdn Bhd (formerly known as TSA Mineral Resources Sdn Bhd) (Registration No. 200001002571 (505176-A))
Board	:	Board of Directors of TSA
Bumiputera Investors	:	Being the Bumiputera investors as approved and recognised by MITI to subscribe for our IPO Shares through private placement
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCC	:	Certificate of Completion and Compliance
CDS	:	Central Depository System
CF	:	Certificate of Fitness for Occupation
CMSA	:	Capital Markets and Services Act 2007
COVID-19	:	Novel coronavirus disease, an infectious respiratory disease which first broke out in 2019
Decolive	:	Decolive Home Sdn Bhd (Registration No. 200801007631 (808915-M))
Director(s)	:	Director(s) of TSA within the meaning given in Section 2 of the CMSA
DOSH	:	Department of Occupational Safety and Health
Ebest Alliance	:	Ebest Alliance Sendirian Bhd (Registration No. 200801017694 (818990-P))
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment insurance system
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet and/or any electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)

DEFINITIONS (Cont'd)

Electronic Share Application	:	Application for our IPO Shares through a Participating Financial Institution's ATM
Eligible Person(s)	:	Eligible employee(s) of our Group
EMSHAA 1990	:	Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
EPF	:	Employees Provident Fund
EPS	:	Earnings per Share
FMA 1967	:	Factories and Machinery Act 1967
FPE	:	Financial period ended 31 August
FYE	:	Financial year ended / ending 31 December, as the case may be
Financial Years Under Review	:	FYE 2020, FYE 2021 and FYE 2022, collectively
Financial Years and Period Under Review	:	FYE 2020, FYE 2021, FYE 2022 and FPE 2023, collectively
Government	:	Government of Malaysia
GP	:	Gross profit
ICA 1975	:	Industrial Co-ordination Act 1975
IMR Report	:	The Independent Market Research Report prepared by Vital Factor in relation to our IPO, as set out in Section 8 of this Prospectus
Internet Participating Financial Institutions	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for our IPO Shares through an Internet Participating Financial Institution(s)
IPO	:	Initial public offering of our IPO Shares comprising the Public Issue in conjunction with the listing of and quotation of our entire enlarged issued share capital on the ACE Market
IPO Price	:	RM0.55 for each IPO Share
IPO Shares	:	77,325,000 new Shares to be issued pursuant to the Public Issue
Issuing House and Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Kota Kinabalu By-laws	:	Kota Kinabalu Municipal Council (Building) (Amendment) By-laws 1987
KVC Corporation	:	KVC Corporation Sdn Bhd (Registration No. 199701030619 (446118-T))

DEFINITIONS (Cont'd)

KVC Industrial	:	KVC Industrial Supplies Sdn Bhd (Registration No. 198901005915 (183220-D))
KVC Properties	:	KVC Properties Sdn Bhd (Registration No. 199501042080 (371284-A))
Listing	:	Admission of TSA to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Lot 3998	:	1 unit of single storey factory annexed with a three-storey office building and a single storey warehouse erected on a freehold industrial land held under land title GRN 47690, Lot 3998, Mukim Kajang, District of Ulu Langat, State of Selangor, bearing the postal address of Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor
LPD	:	30 November 2023, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day(s) on which Bursa Securities is open for trading of securities
MCO	:	Nationwide movement control order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of the COVID-19 pandemic
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment, Trade and Industry
Mitra ACNC	:	Mitra ACNC Sdn Bhd (Registration No. 199701013218 (428714-A))
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market and have not been removed
OSHA 1994	:	Occupational Safety and Health Act 1994
Participating Financial Institutions	:	Participating financial institution(s) for the Electronic Share Application, as listed in Section 15 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple

DEFINITIONS (Cont'd)

Pink Form Allocations	:	Allocation of 15,465,000 IPO Shares for subscription by the Eligible Persons, which forms part of our Public Issue
Promoter(s)	:	Chew Kuan Fah, Chew Yik Wai, Ng Kim Liang, Chen Khai Voon, KVC Properties and Barisan Jutawan, collectively
Prospectus	:	This Prospectus dated 27 December 2023 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 77,325,000 new Shares at the IPO Price by our Company comprising: <ul style="list-style-type: none"> (a) 15,465,000 shares available for application by the Malaysian Public; (b) 15,465,000 shares available for application by the Eligible Persons; and (c) 38,662,500 shares by way of private placement to Bumiputera Investors approved by MITI; and (d) 7,732,500 shares by way of private placement to selected investors
Sarawak Ordinance	:	Buildings Ordinance 1994
SC	:	Securities Commission Malaysia
SDBA 1974	:	Street, Drainage and Building Act 1974
Semenyih Land	:	A piece of leasehold land measuring approximately 4.047 hectares held under H.S.(D) 37423, PT 1125, Mukim Ulu Semenyih, Daerah Ulu Langat, Negeri Selangor bearing the postal address PT 1125, Jalan Villaraya 1/8, Kawasan Perindustrian Villaraya, Mukim Hulu Semenyih, Daerah Hulu Langat, Selangor Darul Ehsan
Semenyih Manufacturing Premises	:	A proposed manufacturing premises with an approximate built-up area of 239,236 square feet, comprising a single storey factory, a three-storey office building and one block of four-storey workers' hostel to be constructed on the Semenyih Land
SICDA	:	Securities Industry (Central Depositories) Act 1991
SOCSSO	:	Social Security Organisation
Specified Shareholder(s)	:	Chew Kuan Fah, Chew Yik Wai, Ng Kim Liang, Chen Khai Voon, Barisan Jutawan, KVC Properties, KVC Corporation, Synergy Cal, Sa Chee Peng, Chen Siew Chong @ Chin Siew Chong and Chen Kim Lian, collectively
Synergy Cal	:	Synergy Cal Solutions Sdn Bhd (Registration No. 200601037733 (757493-A))
sq ft	:	Square feet
sq m	:	Square meter

DEFINITIONS (Cont'd)

SSA	:	A conditional share sale agreement dated 8 November 2022 entered by the Vendors and our Company in relation to the Acquisition of TSA Industries, as supplemented and amended by a supplemental share sale agreement dated 21 April 2023 and letter of variation dated 4 August 2023
TSA Share(s) or Share(s)	:	Ordinary shares in TSA
Underwriting Agreement	:	The underwriting agreement dated 29 November 2023 entered into between our Company and our Underwriter pursuant to our IPO
Vendors	:	Chew Kuan Fah, Chew Yik Wai, Ng Kim Liang, Barisan Jutawan and KVC Properties, collectively
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), the independent business consulting and market research consultants

CURRENCY

Euro	:	Euro Dollar
RM and sen	:	Ringgit Malaysia and Sen, respectively
SGD	:	Singapore Dollar
USD	:	United States Dollar

GLOSSARY OF TECHNICAL TERMS

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

Alloy	: An alloy is a mixture of a metal with one or more other elements, which may be metal or non-metal. Examples of alloys include, among others, stainless steel, carbon steel, brass and bronze.
Aluminium	: Aluminium is a metal that is characterised by good corrosion resistance, good heat and electrical conductivity (second only to copper among commonly used metals), good mechanical strength, relatively low density and it is easy to draw into wires.
The Aluminium Association, Inc	: The Aluminium Association, Inc. is a trade association based in the United States that represents the global aluminium production, fabrication and recycling industries. The association's activities include, among others, registering the international designation numbers for aluminium alloys.
Angles	: Angles refer to a length of metal with two sections of equal or unequal widths bent at 90 degrees to each other.
ASTM International or ASTM	: ASTM International (formerly known as American Society for Testing and Materials) is an international standards organisation with headquarters in the United States. It develops and publishes the ASTM standards for materials, products, systems and services, including for stainless steel and other metal products.
Bars	: A bar refers to a solid piece of metal whose length is significantly greater than its width. The cross-section of a bar does not change throughout its length, and may be of rectangular, square, round, hexagonal or other shapes.
Brass	: Brass is an alloy that is composed mainly of copper and zinc. It is characterised by corrosion resistance, durability, hardness, good conductivity to heat and electricity, and low friction.
Carbon steel	: Carbon steel is an alloy of iron with carbon as the main alloying element (commonly up to 2.0% by weight), sometimes with other elements to achieve desired properties. Unlike stainless steel, carbon steel is not resistant to corrosion and may rust if not properly protected.
Coil	: A coil refers to a continuous length of metal sheet which has been wound around a core.
Cold rolling	: Cold rolling refers to the metal working process where metal products (such as plates, sheets, coils and bars) are passed through a series of rollers to be reduced to the desired dimensions without first being heated up. Cold rolling can be used to produce, among others, cold rolled stainless steel coils.
Copper	: Copper is a metal that is characterised by very good heat and electrical conductivity (the best among commonly used metals), and it is easy to draw into wires. Copper products have good corrosion resistance, as copper oxide film that forms when copper is exposed to air forms a protective layer that protects the underlying metal from further corrosion.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Flat bar	:	A bar with rectangular cross section.
Grit	:	Grit number refers to the number of grit lines per inch of abrasive. Typically, the smoothness and reflectiveness of the surface finish increase with a higher grit number.
Hardware	:	In the context of this Prospectus, it refers to products such as tools (including hand tools and power tools); agricultural implements; latches; locks and keys; fasteners such as nails, nuts and bolts, screws and staples; plumbing supplies such as pipes, valves, faucets and taps; handles; wire; chains and other related products.
Hexagon bar	:	A bar with hexagonal (six sided) cross section.
Hot rolling	:	Hot rolling refers to the metal working process where metal products (such as plates, sheets, coils and bars) are first heated up, and then passed through a series of rollers to be reduced to the desired dimensions.
International designation number	:	The international designation number is a numeric identification system for aluminium alloys that are registered with The Aluminium Association, Inc. It describes the nominal chemical composition of the aluminium alloy.
Manufacturing	:	Manufacturing is the business activity whereby work is carried out on input materials to transform them into finished products that can be used. Examples of manufacturing include, among many others, manufacturing stainless steel pipes from coils by roll forming, welding and polishing.
Ornamental stainless steel pipe	:	Refers to pipes made from stainless steel for decorative and architectural applications, and that are not intended for structural use or transportation of gases or liquids. Some applications of ornamental stainless steel pipes include gates, railings, display stands, furniture, bathroom accessories, and car parts and accessories.
Pipes	:	A pipe refers to a hollow structure with a regular cross-section, most commonly circular, but also as square, rectangular and other cross-sections. Pipes include tubes.
Plates	:	A plate refers to a flat piece of solid metal with a rectangular cross-section and thickness of 3 mm or more cut into specific sizes. Plates may be square or rectangular.
Processing	:	Processing is the business activity whereby work is carried out on an input material, such as bars, plates and sheets, to change it such that its form after processing is significantly different, but it is not yet a finished product that can be used. Examples of processing include, among many others, slitting bars, polishing plates and sheets, and hole punching and perforating.
Profile	:	Profiles refer to a length of metal where the cross-section is the same throughout its entire length.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Roll forming	: In the context of this Prospectus, it is a process where the thickness of a metal coil is progressively reduced by passing the coil through a series of opposing rollers until the desired thickness is achieved.
Round bar	: A bar with circular cross section.
Sheet	: A sheet refers to a flat piece of metal with a rectangular cross-section and thickness of less than 3 mm cut into specific sizes. Sheets are usually square or rectangular.
Square bar	: A bar with square cross section.
Stainless steel	: Stainless steel is an alloy of iron that is characterised by high resistance to corrosion and rusting. It also exhibits high resistance to attack by chemicals, good mechanical strength and durability, ease of cleaning and sterilising, and can be polished to a high degree of reflectiveness. Stainless steel contains chromium as the main alloying element (usually at least 10.5% by weight), sometimes with other elements to achieve desired properties.
Stainless steel grade or grade	: It refers to a standardised numbering system for stainless steel that stipulates the composition by weight of iron and alloying elements.
Stock Keeping Unit or SKU	: SKU signifies a distinct and unique type of product for sale.
Trading	: Trading refers to the business activity where goods are re-sold in their original form, save for minor work such as cutting to length, break-bulk or repackaging. Trading does not involve processing, assembly, manufacturing or other transformation of the goods.
Welding	: Welding is a method of joining metal that uses heat to melt two metal surfaces so that they are integrally joined when cooled.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” and “TSA” in this Prospectus are to TSA Group Berhad, while references to “our Group” are to our Company and our Subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and key senior management as disclosed in this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders, and vice versa. Reference to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia, and reference to “RM” and “sen” are to the lawful currency of Malaysia. 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 2 decimal places, as the case may be. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange in this Prospectus shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or is exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

Certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Vital Factor. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on their research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and other statistical data 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 and indirectly linked to such website does not form part of this Prospectus and should not be relied upon for the purpose of your decision whether or not to invest in our Shares.

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FORWARD-LOOKING STATEMENTS

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 and prospects are forward-looking statements. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand and supply for our products and general industry environment;
- (ii) our business strategies and competitive position;
- (iii) our plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity;
- (v) general economic, business, social, political and investment environment in countries where we conduct business;
- (vi) continued availability of capital and financing;
- (vii) fixed or contingent obligations and commitments;
- (viii) changes in accounting standards and policies; and
- (ix) other factors beyond our control.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 – Risk Factors and Section 12.3 – Management’s Discussion and Analysis of Financial Conditions and results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/ (Designation)	Address	Nationality / Gender
Lim Hun Soon @ David Lim <i>(Independent Non-Executive Chairman)</i>	18, Jalan Taban 4 Lucky Garden, Bangsar 59100 Kuala Lumpur W.P. Kuala Lumpur	Malaysian / Male
Chew Kuan Fah <i>(Non-Independent Group Managing Director)</i>	Lot 511, Lorong Cinta Alam F Country Heights 43000 Kajang Selangor	Malaysian / Male
Chew Yik Wai <i>(Non-Independent Executive Director)</i>	12A, Jalan Sutera 4 Jalil Sutera Bandar Bukit Jalil 57000 Kuala Lumpur W.P. Kuala Lumpur	Malaysian / Male
Ng Kim Liang <i>(Non-Independent Executive Director)</i>	126, Jalan Keruing Kipas Sierramas West 47000 Sungai Buloh Selangor	Malaysian / Male
Chong Chin Look <i>(Independent Non-Executive Director)</i>	B17-6, Seni Mont Kiara 2A, Changkat Duta Kiara Mont Kiara 50480 Kuala Lumpur W.P. Kuala Lumpur	Malaysian / Male
Karmjit Kaur A/P Sarban Singh <i>(Independent Non-Executive Director)</i>	A-23-3 The Park Residences 1 Jalan 1/112H, Bangsar South 59200 Kuala Lumpur W.P. Kuala Lumpur	Malaysian / Female
Shahira Binti Abdul Aziz <i>(Independent Non-Executive Director)</i>	21 Jalan 4F, Ampang Jaya 68000 Ampang Selangor	Malaysian / Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Chong Chin Look	Chairperson	Independent Non-Executive Director
Karmjit Kaur A/P Sarban Singh	Member	Independent Non-Executive Director
Shahira Binti Abdul Aziz	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)**NOMINATION COMMITTEE**

Name	Designation	Directorship
Shahira Binti Abdul Aziz	Chairperson	Independent Non-Executive Director
Chong Chin Look	Member	Independent Non-Executive Director
Karmjit Kaur A/P Sarban Singh	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Karmjit Kaur A/P Sarban Singh	Chairperson	Independent Non-Executive Director
Chong Chin Look	Member	Independent Non-Executive Director
Shahira Binti Abdul Aziz	Member	Independent Non-Executive Director

COMPANY SECRETARIES

Teo Soon Mei
Professional qualification: Malaysian Institute of Chartered Secretaries and Administrators (“**MAICSA**”) Chartered Secretary and Chartered Governance Professional
(MAICSA 7018590)
(SSM PC 201908000235)

Goh Chooi Woon
Professional qualification: MAICSA Chartered Secretary and Chartered Governance Professional
(MAICSA 7056110)
(SSM PC 201908000145)

No. 7-1, Jalan 109F, Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur

Tel No. : (603) 7982 2010

REGISTERED OFFICE

Lot 3998, Jalan 6/2A
Taman Industri Selesa Jaya
43300 Balakong
Selangor
Tel No. : (603) 8962 2888
Fax No. : (603) 8962 1888

HEAD OFFICE

Lot 3998, Jalan 6/2A
Taman Industri Selesa Jaya
43300 Balakong
Selangor
Tel No. : (603) 8962 2888
Fax No. : (603) 8962 1888
Email: : tsa@tsa.com.my
Website : www.tsa.com.my

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER	: AmlInvestment Bank Berhad (Registration No.197501002220 (23742-V)) Level 21, Bangunan Ambank Group No.55 Jalan Raja Chulan 50200, Kuala Lumpur Tel No. : (603) 2036 2633 Fax No. : (603) 2032 4263
EXTERNAL AUDITORS AND REPORTING ACCOUNTANT	: Crowe Malaysia PLT (Registration No: 201906000005 (LLP0018817-LCA) & AF 1018) Chartered Accountants Level 16, Tower C, Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel No. : (603) 2788 9999 Fax No. : (603) 2788 9998 Partner : Chin Kit Seong Approval No. : 03030/01/2025 J Professional qualification : Chartered Accountant Malaysian Institute of Accountants ("MIA") (MIA Membership no. CA 29748)
SOLICITORS FOR OUR IPO	: Cheang & Ariff Loke Mansion 273A, Jalan Medan Tuanku, 50300 Kuala Lumpur, Malaysia Tel No. : (603) 2691 0803 Fax No. : (603) 2691 4475
ISSUING HOUSE AND SHARE REGISTRAR	: Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel No. : (603) 2783 9299 Fax No. : (603) 2783 9222
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	: Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)) V Square @ PJ City Centre (VSQ) Block 6, Level 6 Jalan Utara 46200 Petaling Jaya Selangor Tel No. : (603) 7931 3188 Fax No. : (603) 7931 2188 Person-in-charge : Wooi Tan

1. CORPORATE DIRECTORY (Cont'd)

Professional qualification : Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from the University of New South Wales, Australia and a Fellow of the Australian Marketing Institute, and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)

LISTING SOUGHT : ACE Market

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 12 October 2023, approved the admission of our Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of our Company comprising 309,300,000 Shares on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

Details of conditions imposed	Status of compliance
1. Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders 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. 	To be complied
2. Confirm that approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
3. The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon.	Complied
4. Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements.	To be complied
5. 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 TSA on the first day of Listing.	To be complied
6. In relation to the public offering to be undertaken by TSA, 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 as per the format prescribed by Bursa Securities; and (iv) Disclosure of placees who become substantial shareholders of TSA arising from the public offering, if any. 	To be complied
7. TSA / AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of TSA 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.

The SC had, vide its letter dated 16 October 2023, approved the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirements for public listed companies, subject to the following conditions:

2. APPROVALS AND CONDITIONS (Cont'd)

Details of conditions imposed	Status of compliance
--------------------------------------	-----------------------------

TSA 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 MITI.	To be complied
---	----------------

TSA to make available at least 50.0% of the IPO Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied
--	----------------

The effects of our Listing on the equity structure of our Company are as follows:

Category of shareholders	As at the date of this Prospectus		After our Listing ⁽²⁾	
	No. of Shares	%	No. of Shares	%
Malaysian				
Bumiputera				
- Bumiputera investors approved by the MITI	-	-	38,662,500	12.5
- Malaysian public via balloting	-	-	7,732,500	2.5
	-	-	46,395,000	15.0
Non-Bumiputera	231,975,000 ⁽¹⁾	100.0	262,905,000 ⁽²⁾	85.0
Total Malaysian	231,975,000	100.0	309,300,000	100.00
Foreigner	-	-	-	-
Total	231,975,000	100.0	309,300,000	100.00

Notes:

(1) Held by our Promoters.

(2) Assuming:

- (i) all the remaining 7,732,500 new Shares made available for application by the Malaysian Public via balloting are fully subscribed by the Malaysian Public who are non-Bumiputera;
- (ii) all the 15,465,000 new Shares made available for application by the Eligible Persons under the Pink Form Allocations are fully subscribed by the Eligible Persons who are non-Bumiputera; and
- (iii) all the 7,732,500 new Shares made available for application by way of private placement to selected investors are fully subscribed by Malaysian investors who are non-Bumiputera.

2.1.3 MITI

MITI had, vide its letter dated 20 June 2023, stated that it has taken note of and has no objection to our Listing.

2.2 MORATORIUM ON SALE OF SHARES**2.2.1 Specified Shareholders**

In compliance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the Shares held by the Specified Shareholders as follows:

- (i) the moratorium applies to the entire shareholdings of the Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, we must ensure that the Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of our enlarged issued share capital remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) upon the expiry of the Second 6-Month Moratorium, the Specified Shareholders may only sell, transfer or assign up to a maximum of 1/3 per annum (on a straight line basis) of the Shares which were held under the moratorium.

2. APPROVALS AND CONDITIONS (Cont'd)

The details of the Shares held by the Specified Shareholders which will be subject to moratorium are as follows:

Name of Specified Shareholders ⁽⁵⁾	Moratorium shares for Year 1				Moratorium shares for Year 2		Moratorium shares for Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		No. of Shares	⁽¹⁾ % of enlarged issued share capital	No. of Shares	⁽¹⁾ % of enlarged issued share capital
	No. of Shares	⁽¹⁾ % of enlarged issued share capital	No. of Shares	⁽¹⁾ % of enlarged issued share capital				
KVC Properties ⁽²⁾	116,218,974	37.6	69,731,388	22.5	46,487,592	15.0	23,243,796	7.5
Barisan Jutawan ⁽³⁾	27,604,906	8.9	16,562,944	5.4	11,041,963	3.6	5,520,981	1.8
Chew Kuan Fah	57,994,490	18.8	34,796,696	11.3	23,197,797	7.5	11,598,899	3.8
Chew Yik Wai	18,557,920	6.0	11,134,752	3.6	7,423,168	2.4	3,711,584	1.2
Chen Khai Voon ⁽⁴⁾	-	-	-	-	-	-	-	-
Ng Kim Liang	11,598,700	3.7	6,959,220	2.2	4,639,480	1.5	2,319,740	0.7
KVC Corporation ⁽⁴⁾	-	-	-	-	-	-	-	-
Synergy Cal ⁽⁴⁾	-	-	-	-	-	-	-	-
Sa Chee Peng ⁽⁴⁾	-	-	-	-	-	-	-	-
Chen Siew Chong @ Chin Siew Chong ⁽⁴⁾	-	-	-	-	-	-	-	-
Chen Kim Lian ⁽⁴⁾	-	-	-	-	-	-	-	-
Total	231,974,990	75.0%	139,185,000	45.0%	92,790,000	30.0%	46,395,000	15.0%

2. APPROVALS AND CONDITIONS (Cont'd)

Notes:

- (1) Based on our enlarged issued share capital of 309,300,000 Shares after our IPO.
- (2) The shareholders of KVC Properties and their shareholdings as at the LPD are as follows:

Shareholders	No. of ordinary shares	%
KVC Corporation*	102,000	51.0
Synergy Cal^	98,000	49.0

* The shareholders of KVC Corporation are Chen Khai Voon (76.0%), Chen Siew Chong @ Chin Siew Chong (12.0%) and Chen Kim Lian (12.0%), who are siblings. KVC Corporation also holds all 100 preference shares in KVC Properties.

^ The shareholders of Synergy Cal and their shareholdings as at the LPD are as follows:

	No. of ordinary shares	%
Sa Chee Peng	590	59.0
Chen Siew Chong @ Chin Siew Chong	100	10.0
Lee Kok Keong	100	10.0
Chong Koon Yen	100	10.0
Chong Lee Chew	20	2.0
Wong Kok Leong	30	3.0
Yew Sheau Huey @ Ng Sheau Huey	20	2.0
Lew Swan Swan	40	4.0

2. APPROVALS AND CONDITIONS (Cont'd)

(3) The shareholders of Barisan Jutawan and their shareholdings as at the LPD are as follows:

Shareholders	No. of ordinary shares	%
Chew Kuan Fah	50,000	50.0
Chew Yik Wai	25,000	25.0
Ng Kim Liang	25,000	25.0

(4) As at the LPD, they do not hold any of our Shares directly.

(5) The following individuals have been classified as the Specified Shareholders on the following basis:-

- (a) Chen Khai Voon, KVC Corporation and KVC Properties are our controlling shareholders;
- (b) Chen Siew Chong @ Chin Siew Chong and Chen Kim Lian are Chen Khai Voon's sisters;
- (c) Synergy Cal is deemed interested in our Company by virtue of its direct shareholding of 49.0% in KVC Properties;
- (d) Sa Chee Peng is deemed interested in our Company by virtue of his indirect shareholding in KVC Properties via his direct shareholding of 59.0% in Synergy Cal;
- (e) Chew Kuan Fah, our Group Managing Director as well as Chew Yik Wai and Ng Kim Liang, our Executive Directors are also our substantial shareholders; and
- (f) Barisan Jutawan is a company owned by Chew Kuan Fah, Chew Yik Wai and Ng Kim Liang.

The moratorium, which is fully accepted by the Specified Shareholders, is specifically endorsed on the share certificates representing the Shares held by the respective Specified Shareholders to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

In accordance with Rule 3.19(2) of the Listing Requirements, where the specified shareholder or vendor is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation for the requisite moratorium period.

In compliance with Rule 3.19(2) of the Listing Requirements, all direct and indirect shareholders of KVC Properties, Barisan Jutawan, KVC Corporation and Synergy Cal have each furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign their entire shareholdings in KVC Properties, Barisan Jutawan, KVC Corporation and Synergy Cal respectively during the moratorium period.

2. APPROVALS AND CONDITIONS (Cont'd)

2.2.2 Pre-listing investor

In accordance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of 10 Shares⁽¹⁾ held by Yap Wan Loong⁽²⁾ for a period of 6 months from the date of our admission to the ACE Market.

Notes:

- (1) The percentage is less than 0.01% of our enlarged issued share capital of 309,300,000 Shares after our IPO.*
- (2) Yap Wan Loong is our pre-listing investor as the 10 Shares were allotted to him on 21 October 2022, which is within 12 months from the date of our submission of the listing application to Bursa Securities, and at RM0.10 per Share which is lower than the IPO Price.*

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3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other sections 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 OF OUR IPO

Number of Shares to be issued under the Public Issue		
- Malaysian Public	:	15,465,000
- Eligible Persons	:	15,465,000
- Private placement to selected investors	:	7,732,500
- Private placement to Bumiputera investors approved by the MITI	:	38,662,500
		77,325,000
Enlarged number of Shares upon Listing	:	309,300,000
IPO Price	:	RM0.55
Market capitalisation upon Listing (based on the IPO Price and enlarged number of Shares upon Listing)	:	RM170,115,000

Please refer to Section 4 of this Prospectus for further details of our IPO.

Our Specified Shareholders' and pre-listing investor, Yap Wan Loong's entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our Listing. Thereafter, our Specified Shareholders' shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Thereafter, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of the Shares held by them under moratorium.

The shareholders of KVC Properties, Barisan Jutawan, KVC Corporation and Synergy Cal respectively have undertaken not to sell, transfer or assign any part of their shareholdings in KVC Properties, Barisan Jutawan, KVC Corporation and Synergy Cal respectively during the moratorium period.

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

3.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 18 March 2022 as a private limited company under the name of TSA Group Sdn Bhd. On 1 November 2022, our Company was converted into a public limited company and assumed our present name. On 31 October 2023, we completed the Acquisition of TSA Industries which resulted in TSA Industries, TSA Pipes, Mitra Bintang, TSA Singapore and Asia Inox becoming our subsidiaries.

The principal activities of our Company and our subsidiaries are as follows:

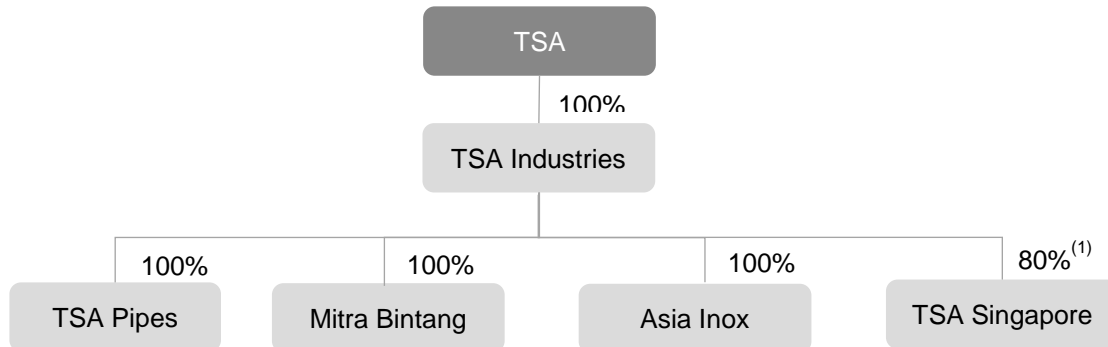
Company	Principal Activities
Our Company	Investment holding
TSA Industries	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products
TSA Pipes	Dormant ⁽¹⁾
Mitra Bintang	Investment holding
TSA Singapore	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products
Asia Inox	Dormant ⁽²⁾

3. PROSPECTUS SUMMARY (Cont'd)

Notes:

- (1) Prior to TSA Pipes becoming dormant, the company was principally involved in the manufacturing and trading of industrial pipe products from FYE 2008 to FYE 2016. At this juncture, we do not have any plans for TSA Pipes.
- (2) The intended principal activities of Asia Inox are to produce and process cold-rolled stainless steel coil, and to distribute and sell the cold-rolled stainless steel coil in Malaysia and/or export to other countries. Please refer to Section 7.2.1 of this Prospectus for details of our Group's business plans in relation to the establishment of a cold rolling line to produce cold-rolled stainless steel coils.

Our Group structure after completion of the Acquisition of TSA Industries is set out below:



Note:

- (1) The remaining shareholder of TSA Singapore is Lai Chun Wai (20%).

For the Financial Years and Period Under Review, our Group is principally involved in the trading of stainless steel and other metal products, hardware and other products, as well as the manufacturing of stainless steel pipes and processing stainless steel products. Our main markets and operations are in Malaysia and Singapore.

Our business model is as follows:

Business activities and revenue streams	Products	Geographical markets	Distribution channel and customer base				
Principal activities	Main products traded	Principal markets	Main - direct				
	<ul style="list-style-type: none"> Stainless steel plates, bars, coils, pipes, channels and angles Copper bars 		<table border="1"> <tr> <td>Fabricators</td> <td>Part manufacturers</td> </tr> <tr> <td>Construction companies</td> <td>Plant maintenance companies</td> </tr> </table>	Fabricators	Part manufacturers	Construction companies	Plant maintenance companies
Fabricators	Part manufacturers						
Construction companies	Plant maintenance companies						
	Products manufactured						
	<ul style="list-style-type: none"> Welded ornamental stainless steel pipes 						
	Main products processed	Other markets	Other - indirect				
	<ul style="list-style-type: none"> Stainless steel plates and bars 	<ul style="list-style-type: none"> Thailand Others ⁽¹⁾ 	<ul style="list-style-type: none"> Hardware wholesalers and retailers 				

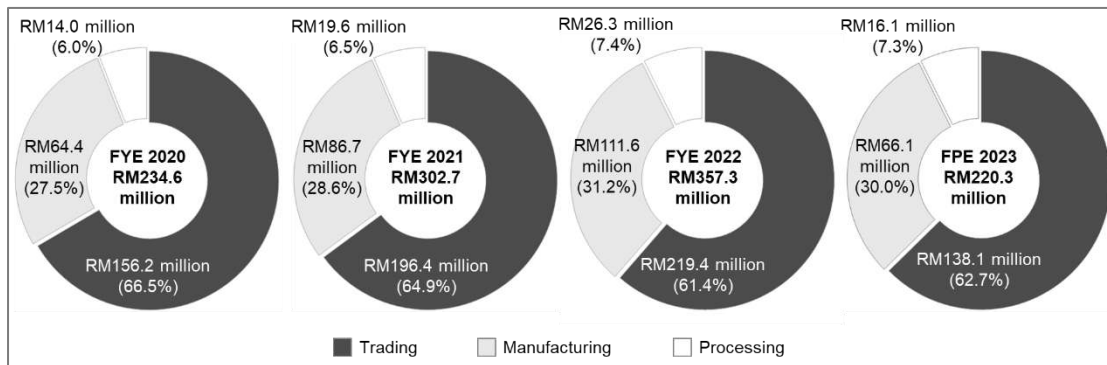
Note:

- (1) For FYE 2020, other export markets include Australia, Bangladesh, Brazil, France, India, Indonesia, Kazakhstan, Maldives, Myanmar, New Zealand, Saint Lucia and Sri Lanka. For FYE 2021, other export markets include Bangladesh, China, France, India, Indonesia, Maldives, New Zealand and Sri Lanka. For FYE 2022, other export markets include Bangladesh, Brunei, France, India, Indonesia, Maldives, New Zealand, Sri Lanka and the United Kingdom. For FPE 2023, other export markets include Australia, Bangladesh, France, Indonesia, Maldives, New Zealand, the Philippines, Sri Lanka and the United Kingdom.

Please refer to Section 7 of this Prospectus for further details of our history and business.

3. PROSPECTUS SUMMARY (Cont'd)

Our revenue segmentation by business activities are as follows:



For further details of the financial information by business segments, please refer to Section 12.3.2 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

- (i) **We have sales offices with warehouses in Malaysia and Singapore to provide wide market coverage in these two countries**

As at the LPD, we have eight sales offices with warehouses in Malaysia, and one in Singapore.

In Malaysia, we have our main operational facility (with sales office, main warehouse and manufacturing operations) and another sales office with warehouse in Balakong, Selangor. We also have six branch offices comprising sales office with warehouse in Perai, Pulau Pinang; Ipoh, Perak; Seremban, Negeri Sembilan; Johor Bahru, Johor; Kota Kinabalu, Sabah, and Miri, Sarawak.

In Singapore, we have a branch office with a sales office with warehouse.

- (ii) **We manufacture a range of ornamental stainless steel pipes in-house**

We have been manufacturing stainless steel pipes since 2008 and we operate our in-house forming, welding and polishing lines at our main operational facility in Balakong, Selangor. We currently manufacture a range of ornamental stainless steel pipes mainly with stainless steel grades 304, 316L and 439, and the types of stainless steel pipes that we manufacture comprise of round, square and rectangular pipes, and their respective slotted profiles in a range of dimensions and finishing. As at the LPD, we do not manufacture other types of stainless steel pipes. In-house stainless steel pipe manufacturing capability is an advantage as we have full control over the quality of the stainless steel pipes that we manufacture. In addition, as we control our manufacturing operations, we can manufacture specific types and sizes of stainless steel pipes to meet customer demand, as and when required.

- (iii) **We market the ornamental stainless steel pipes that we manufacture under our own brand**

We brand and market most of the ornamental stainless steel pipes that we mainly manufacture under our "TSS" brand, except those that we manufacture under our customers' brands and a small proportion that is not branded. Having our own brand of ornamental stainless steel pipes is an advantage as it creates product differentiation, facilitates customer loyalty and encourages return customers and referrals.

3. PROSPECTUS SUMMARY (Cont'd)

(iv) We have a large customer base to sustain and grow our business, and we are not dependent on any individual customer

We have cultivated a large and diverse customer base since we commenced business in 1993. We had approximately 3,600 active customers during FYE 2022 and 3,300 active customers during FPE 2023 (for 8 months) that made purchases of at least RM2,000 in the respective financial year or financial period. Approximately 85% of our customers in FYE 2022 were recurring customers who purchased goods from us in both FYE 2021 and FYE 2022. Our customers during the Financial Years and Period Under Review included subsidiaries of companies listed on Bursa Securities, such as Eonmetall Technology Sdn Bhd, Leon Fuat Metal Sdn Bhd, LKL Advance Metaltech Sdn Bhd, SFP Technology Sdn Bhd and Syarikat Logam Unitrade Sdn Bhd. We served customers in 12 countries (including Malaysia) during FYE 2022 and FPE 2023. Due to our large customer base, we are not dependent on any individual customer, as our top 5 customers collectively accounted for 12.3%, 11.0%, 6.3% and 7.9% of our total revenue for the FYE2020, FYE2021, FYE2022 and FPE 2023 respectively.

Our large customer base provides us with the platform to sustain and grow our business.

(v) We offer a wide range of products to our customers

We offer a wide range of purchased and manufactured products to meet the diverse needs of our customer base. For FYE 2022, our product range consisted of approximately 18,500 SKU and increased to approximately 18,700 SKU for FPE 2023. Our extensive range of products provides customers with the convenience of a one-stop solution for stainless steel and other metal products, hardware and other products, as well as stainless steel pipes.

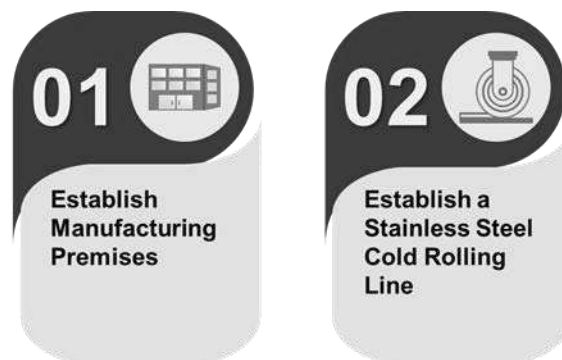
(vi) We have an established track record of 30 years

We have an established track record of 30 years in the trading of stainless steel and other metal products since the inception of our Group in 1993. Meanwhile, we have a track record of 15 years as a manufacturer of stainless steel pipes since the commencement of TSA Pipes in 2008. We have established and maintained long-term business relationships with our customers, supported by the fact that 3 of our top 5 customers for the FYE 2022 and 2 of our top 5 customers for the FPE 2023 have been dealing with us for 10 years or more.

Please refer to Section 7.3 of this Prospectus for further details of our competitive strengths.

3.4 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans will continue to focus on our core competencies in the trading of metal and other products, manufacturing of stainless steel pipes and processing of stainless steel products. In addition, we intend to grow our business by focusing on establishing a stainless steel cold rolling line, as summarised in the following diagram:



Please refer to Section 7.21 of this Prospectus for further details of our business strategies and plans.

3. PROSPECTUS SUMMARY (Cont'd)

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations that may affect our future financial performance. The following are some of the key risks affecting our business and operations:

(i) We are exposed to fluctuations in the price of stainless steel which may affect demand for our products or our profit margin

A prolonged increase in the market prices of stainless steel may reduce demand for stainless steel products, which may consequently have an adverse effect on our financial performance and prospects. If fabricators, manufacturers, construction companies and other categories of customers who currently purchase stainless steel products from us are unable to pass on the price increase to their customers, they may seek alternative materials (such as aluminium, carbon steel and metal products with chrome plating) instead of stainless steel and reduce their purchases of stainless steel products from us.

A sharp decrease in the market prices of stainless steel may result in a situation whereby the prevailing prices that our customers are willing to pay are lower compared to our average purchase costs for the corresponding products in our inventory.

As such, there is no assurance that fluctuations in stainless steel prices may not adversely affect our business operation and financial performance.

(ii) We do not have long-term contracts with our customers and as such there is no assurance of continuing purchases from our customer base

We do not have long-term contracts with any of our customers for all of our trading, manufacturing and processing business activities. We supply goods to our customers based on purchase orders, as it is common in our industry. As we do not have long-term contracts with our customers, there can be no assurance that our customers will continue to purchase stainless steel and other products from us. If a significant number of customers stop purchasing from us and we are unable to replace them promptly, it may have an adverse effect on our financial performance and business prospects.

(iii) We face various business risks associated with our reliance on imports of stainless steel as well as other materials

There is no production of hot-rolled products in Malaysia, and all hot-rolled products are imported (*Source: IMR Report*). Consequently, the stainless steel industry in Malaysia, including our Group, is dependent on imports for the supply of primary and hot-rolled stainless steel products including plates, sheets, coils and bars. Any interruption in the supply of stainless steel products such as plates, sheets, coils and bars from foreign countries may adversely affect our business.

(iv) Our planned new business of producing cold-rolled stainless steel coils may not be successful or profitable

As part of our business strategy, we intend to produce cold-rolled stainless steel coils from hot-rolled stainless steel coils. The estimated cost of the reconditioned cold-rolling line including an annealing furnace is RM52.0 million (including installation, testing and commissioning), all of which will be financed by a combination of internally generated funds and bank borrowings. We are currently purchasing cold-rolled stainless steel coils for our business operations from third-party suppliers. With the establishment of the stainless steel cold rolling line, we intend to use the cold rolled stainless steel coils that we produce in-house for our trading business, as well as input materials for our pipe manufacturing and processing business activities.

3. PROSPECTUS SUMMARY (Cont'd)

In 2021, TSA Industries entered into sales contracts to purchase a reconditioned cold-rolling line including an annealing furnace. Subsequently in 2022, our subsidiary, TSA Industries acquired the Semenyih land measuring approximately 435,615 sq. ft. with the intention of constructing the Semenyih Manufacturing Premises to house the stainless steel cold rolling line. In 2023, we incorporated Asia Inox, our subsidiary which will install, commission, engage experience technical personnel to operate and produce cold-rolled stainless steel coils. As at the LPD, we have submitted plans for the construction of the Semenyih Manufacturing Premises to authorities. Asia Inox will enter into a lease agreement with TSA Industries to utilise the Semenyih Manufacturing Premises to set-up as well as operate the cold-rolling line including the annealing furnace.

We do not have any experience in operating a stainless steel cold rolling line to produce cold-rolled stainless steel coils, which will be a new business activity for us. As Asia Inox does not have any track record in setting-up and operating a stainless steel cold-rolling line, it will rely solely on the technical personnel that it engages.

There is no assurance that we will be able to successfully implement our business strategy of setting-up and operating the cold-rolling line or if it is profitable. Any failure or delay in the implementation of any of our strategies and plans may adversely affect our financial performance.

(v) We are exposed to credit risks from some of our customers

We are exposed to credit risks from customers that we have extended credit terms. A deterioration of our customer's business performance may adversely affect our cash flow and profitability. If customers fail to pay us within the stipulated credit period or fail to pay us at all, we may be required to make an allowance for impairment losses to our trade receivables or write off bad debts, either of which would have an adverse effect on our financial performance.

There can be no assurances that additional allowances for impairment losses to our trade receivables and bad debts written off will not increase in the future or have a significant financial impact.

(vi) We may be exposed to unfavourable foreign currency exchange rates

We are exposed to foreign currency exchange gains or losses arising from timing differences between our billings, actual receipt of payments and conversion/translation into RM, as well as when our assets, liabilities, revenue and earnings are recorded by our subsidiary company in Singapore is translated from SGD into RM for financial reporting and repatriation purposes.

We also face risks associated with our purchases of materials in foreign currencies. A significant proportion of our foreign purchases are denominated in USD, including purchases of stainless steel and other metal products. Fluctuations in foreign currency exchange rates between the RM and foreign currencies, namely USD and SGD, may have a material effect on our reported income and expenses, as they are stated in RM in our combined and consolidated financial statements. An unfavourable foreign exchange rate will also increase the costs of purchasing materials that are denominated in the affected foreign currencies.

As we are unable to ascertain the future movements of foreign exchange rates, any significant adverse fluctuations in foreign exchange rates, particularly the USD and SGD relative to RM, may have a material adverse impact on our financial condition and results of operations.

Please refer to Section 9 of this Prospectus for further details of our risk factors.

3. PROSPECTUS SUMMARY (Cont'd)**3.6 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management are as follows:

Name	Designation
<u>Directors</u>	
Lim Hun Soon @ David Lim (M)	Independent Non-Executive Chairman
Chew Kuan Fah (M)	Group Managing Director
Chew Yik Wai (M)	Executive Director
Ng Kim Liang (M)	Executive Director
Chong Chin Look (M)	Independent Non-Executive Director
Karmjit Kaur A/P Sarban Singh (F)	Independent Non-Executive Director
Shahira Binti Abdul Aziz (F)	Independent Non-Executive Director

Key senior management

Loh Pei Ling (F)	General Manager & Head of Procurement
Tan Bee Hong (F)	Head of Finance
Lai Hoi Lian (F)	Head of Human Resources
Low Chan Kheun (M)	Head of Engineering Production & Services
Wong Foot Nam (M)	Head of Sales Administration & Logistics

(M) Male

(F) Female

Please refer to Section 5 of this Prospectus for further details of our Directors and key senior management.

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3. PROSPECTUS SUMMARY (Cont'd)

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Our Promoters and/or substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Country of incorporation/ Nationality	Before IPO/ As at the LPD				After IPO				
		Direct		Indirect		Direct		Indirect		
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	
Promoter and substantial shareholders										
Barisan Jutawan	Malaysia	27,604,906	11.9	-	-	27,604,906	8.9	-	-	
KVC Properties	Malaysia	116,218,974	50.1	-	-	116,218,974	37.6	-	-	
Chen Khai Voon	Malaysian	-	-	116,218,974 ⁽³⁾	50.1	-	-	116,218,974 ⁽³⁾	37.6	
Chew Kuan Fah	Malaysian	57,994,490	25.0	27,604,906 ⁽⁴⁾	11.9	57,994,490	18.8	27,604,906 ⁽⁴⁾	8.9	
Chew Yik Wai	Malaysian	18,557,920	8.0	27,604,906 ⁽⁴⁾	11.9	18,557,920	6.0	27,604,906 ⁽⁴⁾	8.9	
Ng Kim Liang	Malaysian	11,598,700	5.0	27,604,906 ⁽⁴⁾	11.9	11,598,700	3.7	27,604,906 ⁽⁴⁾	8.9	
Substantial shareholders										
KVC Corporation	Malaysia	-	-	116,218,974 ⁽⁵⁾	50.1	-	-	116,218,974 ⁽⁵⁾	37.6	
Synergy Cal	Malaysia	-	-	116,218,974 ⁽⁵⁾	50.1	-	-	116,218,974 ⁽⁵⁾	37.6	
Sa Chee Peng	Malaysian	-	-	116,218,974 ⁽⁶⁾	50.1	-	-	116,218,974 ⁽⁶⁾	37.6	

Notes:

(1) Based on our share capital of 231,975,000 Shares before IPO.

(2) Based on our enlarged share capital of 309,300,000 Shares after IPO.

(3) Deemed interested by virtue of his indirect shareholding in KVC Properties via KVC Corporation pursuant to Section 8(4) of the Act.

(4) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan pursuant to Section 8(4) of the Act.

(5) Deemed interested by virtue of their direct shareholdings in KVC Properties pursuant to Section 8(4) of the Act.

(6) Deemed interested by virtue of his indirect shareholding in KVC Properties via Synergy Cal pursuant to Section 8(4) of the Act.

3. PROSPECTUS SUMMARY (Cont'd)

Please refer to Section 5.1.2 of this Prospectus for further details of the shareholders of Barisan Jutawan, KVC Properties, KVC Corporation and Synergy Cal. Further details of our Promoters and substantial shareholders are set out in Section 5.1 of this Prospectus.

3.8 USE OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue shall be utilised in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Capital expenditure for the establishment of Semenyih Manufacturing Premises	Within 24 months	5,100	12.0
Working capital	Within 36 months	12,329	29.0
Repayment of bank borrowings	Within 5 months	20,000	47.0
Estimated listing expenses	Within 1 month	5,100	12.0
Total		42,529	100.0

Please refer to Section 4.8 of this Prospectus for further details of our utilisation of proceeds.

3.9 FINANCIAL HIGHLIGHTS

The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows. The historical financial information presented below should be read in conjunction with the management's discussion and analysis of our financial condition and results of operations as set out in Section 12 of this Prospectus and the Accountant's Report, together with its related notes and assumptions as set out in Section 13 of this Prospectus.

Historical combined and consolidated financial information

The following table sets out a summary of our combined and consolidated statements of profit or loss and other comprehensive income for the Financial Years and Period Under Review which have been extracted from the Accountant's Report.

	Audited			Unaudited	Audited
	FYE 31 December			FPE 31 August	
	2020	2021	2022	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	234,628	302,693	357,271	248,393	220,339
Gross Profit	47,948	86,410	79,764	62,593	41,183
PBT from continuing operations	15,216	52,552	50,126	40,339	15,133
PAT from continuing operations	5,203	40,284	40,659	31,832	10,666
GP margin (%) ⁽ⁱ⁾	20.4	28.5	22.3	25.2	18.7
PBT margin (%) ⁽ⁱⁱ⁾	6.5	17.4	14.0	16.2	6.9
PAT margin (%) ⁽ⁱⁱⁱ⁾	2.2	13.3	11.4	12.8	4.8
Basic and diluted EPS (RM) ^(iv)	0.98	7.89	7.97	6.23	2.02

Notes:-

- (i) GP margin is calculated based on GP over revenue for the continuing operations of our Group for the respective financial years or financial periods.
- (ii) PBT margin is calculated based on PBT over revenue for the continuing operations of our Group for the respective financial years or financial periods.
- (iii) PAT margin is calculated based on PAT over revenue for the continuing operations of our Group for the respective financial years or financial periods.
- (iv) Calculated based on PAT attributable to owners of our Company from continuing operations divided by our weighted average number of Shares for the respective financial years or financial periods.

3. PROSPECTUS SUMMARY (*Cont'd*)

3.10 DIVIDEND POLICY

Our Group presently does not have any dividend policy. Our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors, such as having profits and excess funds that are not required to be retained to fund our business. Any dividends declared will be subject to the approval of the Board in accordance to the Constitution and the Act.

Further details of our dividend policy are set out in Section 12.4 of this Prospectus.

3.11 EFFECT OF THE COVID-19 PANDEMIC

3.11.1 Effect of the COVID-19 pandemic on our business operations in Malaysia

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the Government of Malaysia implemented measures to reduce COVID-19 transmission in the country.

We closed our operational facilities on 18 March 2020 pursuant to the first MCO. Our staff who performed executive, administrative and sales and marketing functions worked from home, whenever possible, while our trading operations at our warehouses and stainless steel manufacturing activities at our main operational facility were temporarily halted. We resumed operations on 16 April 2020 following the relevant standard operating procedures (“**SOP**”) and guidelines pursuant to the written acknowledgement from MITI dated 16 April 2020.

During the various phases of the MCO including Conditional MCO (“**CMCO**”), Recovery MCO (“**RMCO**”), Full Lock-down MCO (“**FMCO**”), Enhanced MCO (“**EMCO**”), and National Recovery Plan (“**NRP**”), and the “Transition to Endemic” phase, we continued to operate according to the specified guidelines and SOP, including specified workforce capacity during the respective periods.

3.11.2 Effect of the COVID-19 pandemic on our business operations in Singapore

To control the spread of COVID-19, the government of Singapore imposed strict circuit breaker lockdown measures from 7 April 2020 to 1 June 2020. TSA Singapore’s operations were classified under the essential sector, and consequently, we were allowed to continue our business operations during the circuit breaker lockdown period while following the relevant guidelines and SOP, and there were minimal disruptions to our trading business in Singapore. Nonetheless, COVID-19 has impacted our customers and thus our financial performance.

3.11.3 Effects on our supply chain

From 18 March 2020 up to the LPD, we did not face any material disruptions to our supply chain that were related to COVID-19 due to our inventory forecasting and planning.

3.11.4 Effects on our business operations and financial performance

In FYE 2020, our business operations were affected by, among others, measures taken to control the spread of COVID-19 pandemic, mainly contributed by the temporary closure of our operational facilities in Malaysia between 18 March 2020 and 16 April 2020 pursuant to the first MCO. In addition, TSA Singapore continued to operate during the circuit breaker lockdown period (from 7 April 2020 to 1 June 2020) as it was classified under the essential sector. Our Group’s revenue for the second quarter of FYE 2020 has decreased by 35.6% as compared to first quarter of FYE 2020.

Generally, the COVID-19 pandemic did not materially affect our total revenue in FYE 2021 or FYE 2022 and this was supported by the fact that our total revenue for FYE 2021 increased by 29.0% compared to FYE 2020, while our total revenue for FYE 2022 increased by 18.0% compared to FYE 2021. In addition, the COVID-19 pandemic did not materially affect our total revenue in FPE 2023.

Please refer to Section 7.15 of this Prospectus for further details on effects of the COVID-19 pandemic to our business.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The period for Application will open at 10.00 a.m. on 27 December 2023 and will remain open until 5.00 p.m. on 17 January 2024. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Our IPO Shares will be issued at the IPO Price of RM0.55, payable in full upon application and shall be allocated in the following manner:-

4.2.1 Public Issue

A total of 77,325,000 new Shares, representing 25.0% of our enlarged issued share capital, will be issued at the IPO Price and will be allocated in the following manner:

(i) Malaysian Public

15,465,000 new Shares, representing 5.0% of our enlarged issued share capital will be made available for application by the Malaysian Public via balloting, of which 50.0% is to be set aside for Bumiputera investors.

Any IPO Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by the Eligible Persons under the Pink Form Allocation as described in Section 4.2.1(ii) of this Prospectus;
- (b) secondly, by our selected investors as described in Section 4.2.1(iii) of this Prospectus; and
- (c) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Persons

15,465,000 new Shares, representing 5.0% of our enlarged issued share capital, will be reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of IPO Shares allocated ('000)
Eligible employees of our Group ⁽¹⁾	161	15,465,000
Total	161	15,465,000

Note:

(1) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:

- (i) the employee must be a full-time employee and on the payroll of our Group;
- (ii) the employee is not an undischarged bankrupt or subject to any bankruptcy proceedings; and
- (iii) the number of IPO Shares allocated to the eligible employees is based on their seniority, position, length of service, past performance and contribution made to our Group as well as other factors deemed relevant by our Board.

4. DETAILS OF OUR IPO (Cont'd)

The number of IPO Shares allocated under this category is inclusive of the allocation to our key senior management as follows:

Name	Designation	No. of IPO Shares allocated
Loh Pei Ling	General Manager & Head of Procurement	1,000,000
Tan Bee Hong	Head of Finance	250,000
Lai Hoi Lian	Head of Human Resources	300,000
Low Chan Kheun	Head of Engineering Production & Services	780,000
Wong Foot Nam	Head of Sales Administration & Logistics	1,000,000

For clarification, eligible employees of our Group may subscribe for IPO Shares as the Malaysian Public, in addition to subscribing for IPO Shares as Eligible Persons.

Any IPO Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows:

- (a) firstly, by other Eligible Persons;
- (b) secondly, by the Malaysian Public as described in Section 4.2.1(i) above and/or our selected investors as described in Section 4.2.1(iii) of this Prospectus; and
- (c) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

Save as disclosed in Section 4.2.1(ii) of this Prospectus and to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or key senior management who has indicated to us that they intend to subscribe for our IPO Shares; and
- (b) there are no persons who has indicated to us that they intend to subscribe for more than 5.0% of our IPO Shares.

(iii) Private placement to selected investors

7,732,500 new Shares, representing 2.5% of our enlarged share capital, will be made available by way of private placement to selected investors.

The IPO Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these IPO Shares will be obtained from the respective selected investors.

In the event of under-subscription of the IPO Shares reserved under the private placement to selected investors and subject to a corresponding over-subscription by the Malaysian Public, the remaining unsubscribed portion will be clawed-back and reallocated to the Malaysian Public.

4. DETAILS OF OUR IPO (Cont'd)

(iv) Private placement to Bumiputera investors approved by MITI

38,662,500 new Shares, representing approximately 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI (“MITI Tranche”).

In the event of under-subscription of the MITI Tranche by the identified Bumiputera investors and subject to a corresponding over-subscription by the Malaysian Public or over-subscription by selected investors, the remaining portion will be clawed-back and be made available for the investors as follows:

- (a) firstly, the identified Malaysian institutional investors as part of the selected investors under Section 4.2.1(iii) of this Prospectus;
- (b) secondly, the Bumiputera public investors under Section 4.2.1(i) of this Prospectus; and
- (c) lastly, the other Malaysian Public under Section 4.2.1(i) of this Prospectus.

The basis of allocation of our IPO Shares shall take into account the desirability of distributing our IPO Shares to such number of applicants with a view to broadening the shareholding base of our Company to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Applicants will be selected on a fair and equitable manner to be determined by our Board.

There is no over-allotment or “greenshoe” option that will result in an increase in the amount of IPO Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.10 of this Prospectus.

4.2.2 Placement and underwriting arrangement

Our Underwriter will underwrite 30,930,000 IPO Shares made available for application by the Malaysian Public and the Eligible Persons. The balance 46,395,000 IPO Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

4.2.3 Minimum level of subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirement of Bursa Securities, the minimum subscription will be the number of Shares required to be held by public shareholders.

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

Under the Listing Requirements, at least 25.00% of our enlarged number of issued share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our admission to the ACE Market. We expect to meet the public shareholding spread requirement at the point of our Listing.

If the public spread requirement is not met, we may not be permitted to proceed with the Listing. In such an event, monies paid in respect of all Applications will be returned in full, without interest or any share of revenue or benefits arising therefrom. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

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

4.3 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

4.3.1 Share Capital

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

Details	No. of Shares	(RM)
Issued share capital prior to the Acquisition of TSA Industries	1,000	100
Issued for the Acquisition of TSA Industries	231,974,000	120,000,150
IPO Shares to be issued under the Public Issue	77,325,000	40,728,750 ⁽¹⁾
Enlarged share capital upon our Listing	309,300,000	160,729,000
IPO Price		0.55

Note:

(1) *Based on the Public Issue of 77,325,000 IPO Shares at the IPO Price less the estimated listing expenses allowed to be set off against equity of approximately RM1.8 million.*

4.3.2 Classes of shares and ranking

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

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

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

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

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our Directors and AmInvestment Bank, as the Principal Adviser, Sponsor, Placement Agent and Underwriter had determined and agreed to the IPO Price after taking into consideration the following factors:

- (a) Based on the historical audited combined statements of comprehensive income of our Group for the FYE 2022, we recorded a PAT attributable to owners of the Company from continuing operations of RM39.85 million representing an EPS of RM0.13 (based on our enlarged issued share capital of 309,300,000 Shares upon Listing), which translates into a PE Multiple of 4.23 times based on the IPO Price. For FPE 2023, our Group recorded a PAT attributable to owners of the Company from continuing operations of RM10.67 million representing an EPS for the 8 months financial period of RM0.03 (based on our enlarged issued share capital of 309,300,000 Shares upon Listing).

Our detailed business operations and financial history are set out in Sections 7 and 12 of this Prospectus, respectively.

- (b) Our competitive strengths as set out in Section 7.3 of this Prospectus;
- (c) Our business strategies and future plans as set out in Section 7.21 of this Prospectus;
- (d) Our pro forma consolidated NA per Share as at 31 August 2023 of RM0.55 based on our enlarged issued share capital of 309,300,000 Shares upon Listing and after the use of proceeds raised from our Public Issue.

You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You are reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4.5 EXPECTED MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 309,300,000 Shares upon Listing, our total market capitalisation will be RM170.115 million.

4.6 DILUTION

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

	RM
IPO Price	<u>0.55</u>
Pro forma consolidated NA per Share as at 31 August 2023 after the Acquisition of TSA Industries but before IPO	⁽¹⁾ 0.57
Pro forma consolidated NA per Share after the Acquisition of TSA Industries, Public Issue and use of proceeds	⁽²⁾ 0.55
Decrease in NA per Share attributable to existing shareholders	0.02
Dilution in NA per Share to our new investors	-
Dilution to our new investors as a percentage of the IPO Price	-

4. DETAILS OF OUR IPO (Cont'd)**Notes:**

- (1) Based on the pro forma consolidated NA attributable to owners of the Company of approximately RM133.30 million divided by the 231,975,000 Shares prior to the Listing.
- (2) Based on the pro forma consolidated NA attributable to owners of the Company of approximately RM170.73 million divided by the enlarged 309,300,000 Shares upon Listing.

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

Shareholders	No. of Shares held before IPO	Total consideration (RM)	Average effective cost per Share (RM)
<u>Promoters and substantial shareholders</u>			
KVC Properties	116,218,974	60,120,075.25	0.517
Barisan Jutawan	27,604,906	14,280,017.87	0.517
<u>Promoters, substantial shareholders and Directors</u>			
Chew Kuan Fah	57,994,490	30,000,136.55	0.517
Chew Yik Wai	18,557,920	9,600,012.02	0.517
Ng Kim Liang	11,598,700	6,000,007.51	0.517
<u>Pre-listing investor</u>			
Yap Wan Loong	10	1.00	0.100

Save as disclosed above and the Shares issued pursuant to the Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Promoters, Directors, substantial shareholders or key senior management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus.

4.7 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 4.8 of this Prospectus;
- (b) to provide an opportunity for the Malaysian Public, including our eligible employees of our Group to participate in our equity and future growth of our Group;
- (c) to enable our Group to gain recognition through our listing status and further enhance our corporate reputation and brand name which is aimed at expanding our customer base; and
- (d) to enable our Group to gain access to 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)

4.8 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM42.53 million in the following manner:

Details of use of proceeds	Estimated timeframe for use		
	from the date of our Listing	RM'000	%
Capital expenditure for the establishment of Semenyih Manufacturing Premises	Within 24 months	5,100	12.0
Working capital	Within 36 months	12,329	29.0
Repayment of bank borrowings	Within 5 months	20,000	47.0
Estimated listing expenses	Within 1 month	5,100	12.0
Total		42,529	100.0

Further details on the use of proceeds from our Public Issue are as follows:

4.8.1 Capital expenditure for the establishment of the Semenyih Manufacturing Premises

Our subsidiary, TSA Industries had, on 3 January 2022, entered into a sale and purchase agreement with Sri Cinnal Sdn Bhd to acquire the Semenyih Land from Sri Cinnal Sdn Bhd for a purchase consideration of RM13.1 million. The basis of the purchase consideration for the acquisition of the Semenyih Land was on a willing buyer and willing seller basis after taking into consideration the then prevailing market prices of lands in the same vicinity. The acquisition was completed on 7 October 2022. Our Group intends to construct and establish the Semenyih Manufacturing Premises on the Semenyih Land.

The total estimated construction cost for the Semenyih Manufacturing Premises is approximately RM52.0 million, of which the breakdown is set out as follows:-

Details	Estimated costs (RM'000)
(i) Construction cost ⁽¹⁾	27,246
(ii) External works & services ⁽¹⁾	9,090
(iii) Mechanical and electrical works ⁽²⁾	14,765
(iv) Others ⁽³⁾	899
	52,000

Notes:

- (1) Based on the estimated construction cost and costs for external works & services provided by Jurureka Pakatan Setegap Sdn Bhd, a civil and structural consultant engineering firm, which was appointed as the project management consultant.
- (2) Based on the estimated costs for mechanical and electrical works provided by EP Consult Sdn Bhd, a mechanical and electrical engineering consultancy firm.
- (3) Others includes but not limited to consultants' fees, application fees and contribution to relevant authorities.

We have earmarked RM5.1 million of our gross proceeds from the Public Issue for the construction of the Semenyih Manufacturing Premises. The gross proceeds of RM5.1 million is intended to finance approximately 10.0% of the construction cost of the Semenyih Manufacturing Premises. As at the LPD, we have obtained additional banking facility of RM126.9 million from Hong Leong Bank Berhad, where RM45.9 million is earmarked for the construction of the Semenyih Manufacturing Premises, RM46.0 million for the purchase of a reconditioned stainless steel cold rolling line and the balance of RM35.0 million are trade facilities for our working capital to purchase input materials. The balance construction cost will be funded via internally generated

4. DETAILS OF OUR IPO (Cont'd)

funds. The construction of the Semenyih Manufacturing Premises is part of our business expansion plans to expand our manufacturing line to include a stainless steel cold rolling line.

As at the LPD, our Group has submitted applications for all necessary approvals to the Kajang Municipal Council for the construction of the Semenyih Manufacturing Premises. Our Group targets to obtain the material approvals from the Kajang Municipal Council, which include planning approval, earthworks and road & drainage approval and building plans approval, by first quarter of 2024. The Semenyih Manufacturing Premises shall comprise the following:

Area	Approximate built-up area (sq ft)
Office area	23,250
Production area for stainless steel cold rolling	197,128
1 block of workers' hostel	18,858
TOTAL	239,236

The timeframe for the construction of our Semenyih Manufacturing Premises is set out below:

Indicative Timeline	Milestones
Third quarter 2024	<ul style="list-style-type: none"> Engage main contractor to construct the Semenyih Manufacturing Premises. Commence construction works for the said premises.
First quarter 2026	<ul style="list-style-type: none"> Complete construction of the Semenyih Manufacturing Premises. Commence setting up for the stainless steel cold rolling line.
Third quarter 2026	<ul style="list-style-type: none"> Commissioning of the stainless steel cold rolling line.

If the actual construction expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual construction expenses are lower than budgeted, the excess will be used for working capital requirements of our Group.

4.8.2 Working capital

We have earmarked RM12.33 million of our gross proceeds from the Public Issue for our working capital requirements. The proposed allocations of the proceeds are set out below:

Details	RM'000
Purchase of input materials and products in the following proportions:	
Stainless steel products	10,394
Hardware and other metal products	1,935
	12,329

4. DETAILS OF OUR IPO (Cont'd)

4.8.3 Repayment of bank borrowings

We have earmarked RM20.0 million of our gross proceeds from the Public Issue to partially repay our bank borrowings as follows:

Financial Institution	Banking/ Credit facility	Purpose	Interest rate	Credit limit (RM'000)	Outstanding amount as at the LPD (RM'000)	Proposed repayment (RM'000)	Maturity Date ⁽²⁾
United Overseas Bank (Malaysia) Bhd	Onshore Foreign Currency Loan ("OFCL")	Mainly used for working capital to purchase input materials	6.70%-7.10%	48,800	17,149	10,000	April 2024
Hong Leong Bank Berhad	OFCL	Mainly used for working capital to purchase input materials	6.50% - 6.70%	70,000 ⁽¹⁾	27,173		April 2024
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd	Trade Commodity Financing-i ("TCF-i")	Mainly used for working capital to purchase input materials	4.84%-7.36%	60,000	5,845	5,000	March 2024
Hong Leong Bank Berhad	Banker's Acceptance ("BA")	Mainly used to finance the purchase of input materials	4.51%-4.60%	70,000 ⁽¹⁾	8,734	5,000	March 2024
					58,901	20,000	

Notes:

- (1) Our Group's banking facility with Hong Leong Bank Berhad, which includes the OFCL and BA, has a combined facility limit of RM70.0 million.
(2) These are revolving trade facilities. The maturity date is calculated based on the last drawn down of the facilities as at the LPD. Please refer to Section 12.3.13(iii) of this Prospectus for the contractual tenure and maturity profile of the facilities.

Based on the above, the expected annual interest savings ranges from approximately RM1.1 million to RM1.3 million based on the prevailing interest rates ranging between 4.51% per annum and 7.36% per annum for the banking facilities from the above financial institutions. However, the actual interest savings may vary depending on the then applicable interest rates.

4. DETAILS OF OUR IPO (Cont'd)

As at the LPD, apart from the abovementioned banking facilities, we have also obtained the following facilities:-

- (a) RM11.0 million term loan facility to part finance the purchase of the Semenyih Land and RM1.0 million term loan facility to finance life insurance premium / takaful contribution financing from Hong Leong Bank Berhad ("**Banking Facilities 1**");
- (b) Hire purchase facilities amounting to RM0.66 million as at the LPD; and
- (c) RM126.9 million term loans and trade facilities from Hong Leong Bank Berhad as explained in Section 4.8.1 above ("**Banking Facilities 2**").

We do not intend to repay the Banking Facilities 1 and Banking Facilities 2 due to early settlement charges imposed by Hong Leong Bank Berhad as these facilities are newly obtained. Additionally, we also do not intend to repay the hire purchase facilities as the amount outstanding is minimal.

Based on our bank borrowings and gearing as at 31 October 2023, the proposed repayment of bank borrowings will reduce our gearing level of 0.63 times to 0.38 times after adjusting for the proceeds arising from our Public Issue and use of proceeds from our Public Issue as illustrated in the capitalisation and indebtedness as at 31 October 2023 as set out in Section 12.2 of this Prospectus.

In the event the amount outstanding to be repaid for the bank borrowings is lesser than the amount allocated for the repayment of bank borrowings from our gross proceeds from the Public Issue, such surplus will be allocated to our working capital.

4.8.4 Estimated listing expenses

We have earmarked RM5.1 million of our gross proceeds from the Public Issue to be used for our listing expenses as follows:

Details	RM'000
Professional fees ⁽¹⁾	3,495
Fees payable to authorities	115
Underwriting, placement and brokerage fees	978
Printing, advertising fees and contingencies ⁽²⁾	512
Total	5,100

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, Independent Business and Market Research Consultants and Issuing House and Share Registrar.
- (2) Contingencies include other related expenses in connection with the IPO, such as media related expenses and IPO event expenses.

If the actual listing expenses are higher than estimated, the shortfall will be funded from the proceeds allocated for working capital purposes, as set out in Section 4.8.2 above. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital requirements of our Group.

Pending the eventual use of the proceeds raised from the Public Issue for the above intended purposes, the funds or part thereof will be placed in short-term deposits with licensed financial institutions or short-term money market instruments.

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

Upon completion of our Listing, pursuant to Paragraph 8.24 of the Listing Requirements, we will seek our shareholders' approval if we propose to make a material change (i.e. 25% or more of the total proceeds received) to the use of proceeds raised from Public Issue.

4.9 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.9.1 Brokerage fee

We will bear the brokerage fees in respect of the IPO Shares at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of AmInvestment Bank, participating organisations, members of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

The Placement Agent is entitled to charge brokerage commission to successful applicants under our selected investors. For the avoidance of doubt, such brokerage commission will not be payable by us.

4.9.2 Underwriting commission

AmInvestment Bank, as our Underwriter, has agreed to underwrite 30,930,000 IPO Shares made available for application by the Malaysian Public and the Eligible Persons as set out in Sections 4.2.1(i) and 4.2.1(ii) of this Prospectus. We will pay our Underwriter an underwriting commission of 1.75% of the total value of the IPO Shares underwritten at the IPO Price.

4.9.3 Placement fee

AmInvestment Bank, as our Placement Agent, has agreed to place out 46,395,000 IPO Shares comprising 7,732,500 IPO Shares and 38,662,500 IPO Shares to selected investors and selected Bumiputera Investors approved by MITI, respectively as set out in Sections 4.2.1(iii) and 4.2.1 (iv) of this Prospectus. We will pay our Placement Agent a placement fee at the rate of 2.00% of the IPO Price for each IPO Share placed out by our Placement Agent.

4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On 29 November 2023, we have entered into the Underwriting Agreement with our Underwriter. Our Underwriter has agreed to underwrite 30,930,000 IPO Shares ("**Underwritten Shares**") as set out in Sections 4.2.1 (i) and (ii) of this Prospectus, upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are extracted as follows. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

- (a) The obligations of our Underwriter under the Underwriting Agreement are conditional on certain conditions precedent being satisfied or fulfilled;
- (b) Notwithstanding anything contained in the Underwriting Agreement, our Underwriter may by notice in writing to our Company given at any time before the Closing Date or the Extended Closing Date, as the case may be, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:
 - (i) any of the approvals of Bursa Securities and other relevant authorities for our Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to our Underwriter; or
 - (ii) there is any breach by our Company of any of the representations, warranties, covenants or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to our Company; or

4. DETAILS OF OUR IPO (Cont'd)

- (iii) there is a failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or
- (iv) there is withholding of information by our Company which is required to be disclosed to our Underwriter or pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated by our Underwriter to our Company in writing or as stipulated in the written notice informing our Company of such breach which, in the reasonable 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 our IPO or Listing, or the distribution or sale of our IPO Shares; or
- (v) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or our Group or the occurrence of any event rendering any of the representations and warranties of our Company under the Underwriting Agreement inaccurate, untrue or incorrect at the relevant date; or
- (vi) the imposition of any moratorium, suspension or material restriction on trading in securities generally on Bursa Securities the effect of which, is in the sole opinion of our Underwriter after consultation with our Company, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of our IPO, or the distribution or sale of our IPO Shares; or
- (vii) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if 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 close of the offering of the Public Issue,

lower than 80.00% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or
- (viii) the placement agreement shall have been terminated in accordance with its terms; or
- (ix) the Closing Date is not the day and time adopted in the Prospectus or such later date as our Company and our Underwriter may mutually agree upon in writing; or
- (x) Our IPO or Listing is stopped or delayed by our Company for any reason whatsoever (unless such delay arises due to action or non-action of the regulatory authorities or has been approved by our Underwriter); or
- (xi) any commencement of legal proceedings or action against any member of our Group or any of the directors (excluding the independent non-executive directors of our Company) which would have or is likely to have a material adverse effect or make it impracticable to enforce contracts to allot and/or transfer our IPO Shares; or
- (xii) any material statement contained in the Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if the Prospectus were to be issued

4. DETAILS OF OUR IPO (Cont'd)

at that time, constitute a material omission therefrom as of the latest practicable date prior to the issuance of the Prospectus; or

- (xiii) there shall have occurred, or happened any of the following events:
- (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Underwriter (including without limitation, any acts of God, national disaster, armed conflicts or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, natural catastrophe, earthquake, typhoon, acts of warfare, sabotages, outbreak of war, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for our Underwriter to perform its obligations under the Underwriting Agreement, acts of terrorism or the declaration of a state of national emergency); or
 - (cc) any change or development in Malaysian tax laws materially and adversely affecting our Company, our IPO Shares or transfer thereof or an announcement of such change or development, in each case the effect of which is, in the sole opinion of our Underwriter, after consultation with our Company, to the extent reasonably practicable, is reasonably likely to prejudice materially the offer, sale or delivery of our IPO Shares on the terms and in the manner contemplated in the Prospectus and other documents (if any) attached or any relevant application forms,

which is in the sole opinion of our Underwriter, after consultation with our Company to the extent reasonably practicable, 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 as a whole, the success of our IPO or Listing 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.

- (c) In the event that the Underwriting Agreement is terminated pursuant to Section (b) above, our Underwriter and our Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither our Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.
- (d) Upon any such notice(s) being given pursuant to Section (b) above, our Underwriter shall be released and discharged from their obligations under the Underwriting Agreement without prejudice to any of its rights under the Underwriting Agreement whereupon the following shall take place within 3 Market Days of the receipt of such notice:
 - (i) our Company shall make payment of the Underwriting Commission to our Underwriter in accordance with the Underwriting Agreement;
 - (ii) our Company shall pay or reimburse our Underwriter the costs and expenses referred to in the Underwriting Agreement; and

4. DETAILS OF OUR IPO (Cont'd)

- (iii) each party shall return all other monies (in the case of the Underwriting Commission due and owing to our Underwriter under the Underwriting Agreement) paid to the other under the Underwriting Agreement (except for monies paid by our Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breach.

4.11 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.

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 the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

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

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

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

Our Promoters and/or substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Country of incorporation/ Nationality	Before IPO				After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Promoters and substantial shareholders									
Barisan Jutawan	Malaysia	27,604,906	11.9	-	-	27,604,906	8.9	-	-
KVC Properties	Malaysia	116,218,974	50.1	-	-	116,218,974	37.6	-	-
Chen Khai Voon	Malaysian	-	-	116,218,974 ⁽³⁾	50.1	-	-	116,218,974 ⁽³⁾	37.6
Chew Kuan Fah	Malaysian	57,994,490	25.0	27,604,906 ⁽⁴⁾	11.9	57,994,490	18.8	27,604,906 ⁽⁴⁾	8.9
Chew Yik Wai	Malaysian	18,557,920	8.0	27,604,906 ⁽⁴⁾	11.9	18,557,920	6.0	27,604,906 ⁽⁴⁾	8.9
Ng Kim Liang	Malaysian	11,598,700	5.0	27,604,906 ⁽⁴⁾	11.9	11,598,700	3.7	27,604,906 ⁽⁴⁾	8.9
Substantial shareholders									
KVC Corporation	Malaysia	-	-	116,218,974 ⁽⁵⁾	50.1	-	-	116,218,974 ⁽⁵⁾	37.6
Synergy Cal	Malaysia	-	-	116,218,974 ⁽⁵⁾	50.1	-	-	116,218,974 ⁽⁵⁾	37.6
Sa Chee Peng	Malaysian	-	-	116,218,974 ⁽⁶⁾	50.1	-	-	116,218,974 ⁽⁶⁾	37.6

Notes:

(1) Based on our share capital of 231,975,000 Shares before IPO.

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

- (2) Based on our enlarged share capital of 309,300,000 Shares after IPO.
- (3) Deemed interested by virtue of his indirect shareholding in KVC Properties via KVC Corporation pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of their direct shareholdings in KVC Properties pursuant to Section 8(4) of the Act.
- (6) Deemed interested by virtue of his indirect shareholding in KVC Properties via Synergy Cal pursuant to Section 8(4) of the Act.

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

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

5.1.2 Profiles of Promoters and/or substantial shareholders

(i) **Barisan Jutawan**

Promoter and substantial shareholder

Barisan Jutawan, our Promoter and substantial shareholder, was incorporated in Malaysia under the Companies Act, 1965 on 23 December 2000 and deemed registered under the Act as a private limited company under the name Center De Abrasive Sdn Bhd. On 4 May 2005, the name of the company was changed to TSA Truck Parts Industries Sdn Bhd and on 7 March 2008, the name of the company was changed to TSA Auto Parts Sdn Bhd. On 1 June 2015, the company changed its name to Barisan Jutawan Sdn Bhd. As at the LPD, Barisan Jutawan is an investment holding company holding shares in TSA.

As at the LPD, the issued share capital of Barisan Jutawan is RM100,000 comprising 100,000 ordinary shares and the directors are Chew Kuan Fah, Chew Yik Wai and Ng Kim Liang.

The shareholders of Barisan Jutawan and their respective shareholdings as at the LPD are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Chew Kuan Fah	Malaysian	50,000	50.0	-	-
Chew Yik Wai	Malaysian	25,000	25.0	-	-
Ng Kim Liang	Malaysian	25,000	25.0	-	-

(ii) **KVC Properties**

Promoter and substantial shareholder

KVC Properties, our Promoter and substantial shareholder, was incorporated in Malaysia under the Companies Act, 1965 on 20 December 1995 and deemed registered under the Act as a private limited company under the name Lewden Electric (J.B.) Sdn Bhd. The company changed its name to R&R Industrial Products (Johor Bahru) Sdn Bhd on 27 December 2001. On 20 May 2008, its name was changed to ATIS Properties Sdn Bhd and subsequently on 24 June 2013, it changed its name to KVC Properties Sdn Bhd. As at the LPD, KVC Properties is principally involved in holding properties and providing accounting services.

As at the LPD, the issued share capital of KVC Properties is RM138,927,439 comprising 200,000 ordinary shares and 100 preference shares. The directors of KVC Properties are Chen Khai Voon and Sa Chee Peng.

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

The shareholders of KVC Properties and their respective shareholdings as at the LPD are as follows:

Shareholders	Country of Incorporation/ Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
KVC Corporation ⁽¹⁾	Malaysia	102,000 ⁽²⁾	51.0	-	-
Synergy Cal	Malaysia	98,000 ⁽³⁾	49.0	-	-
Chen Khai Voon	Malaysian	-	-	102,000 ⁽⁴⁾	51.0
Sa Chee Peng	Malaysian	-	-	98,000 ⁽⁵⁾	49.0

Notes:

- (1) As at the LPD, KVC Corporation also holds all 100 preference shares in KVC Properties.
- (2) As at the LPD, the shareholders of KVC Corporation are Chen Khai Voon (76.0%), Chen Siew Chong @ Chin Siew Chong (12.0%) and Chen Kim Lian (12.0%).
- (3) As at the LPD, the shareholders of Synergy Cal are as follows:

	No. of ordinary shares	%
Sa Chee Peng	590	59.0
Chen Siew Chong @ Chin Siew Chong	100	10.0
Lee Kok Keong	100	10.0
Chong Koon Yen	100	10.0
Chong Lee Chew	20	2.0
Wong Kok Leong	30	3.0
Yew Sheau Huey @ Ng Sheau Huey	20	2.0
Lew Swan Swan	40	4.0

- (4) Deemed interested by virtue of his direct shareholding in KVC Corporation.
- (5) Deemed interested by virtue of his direct shareholding in Synergy Cal.

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

A summary of the salient terms for the preference shares in KVC Properties are detailed as follows:-

(i)	Issue price	:	RM1,387,274.39 for each preference share
(ii)	Dividends	:	The right of the holders of the preference shares to receive out of profits of KVC Properties, a non-cumulative preferential dividend (" Preferential Dividend ") at a rate as may be determined by the directors of KVC Properties from time to time, in priority over the ordinary shares or at least shall be entitled to 5% dividend per year.
(iii)	Participation in profits	:	Subject to the rights to the Preferential Dividend, the holders of the preference shares shall further be entitled to participate in the surplus profits remaining after the payment of the Preferential Dividend, and with regard to the entitlement to the surplus profits, the preference shares shall rank in priority over the ordinary shares and all other classes of shares in KVC Properties, at a rate to be determined by the directors of KVC Properties, resolved to be distributed in respect of any financial year.
(iv)	Repayment of capital	:	On a return of capital on the winding-up or liquidation of KVC Properties, the holders of the preference shares shall have the right to payment, in priority to the holders of ordinary shares and all other classes of shares in KVC Properties, of all capital and premium paid up on the preference shares and all Preferential Dividend remaining unpaid and thereafter, to participate rateably with the holders of all other classes of shares in the residue (if any) of such surplus assets as shall remain after paying off the capital paid up on all other classes of shares in KVC Properties.
(v)	Voting rights	:	(1) Subject to the provisions on alteration of rights contained in the constitution of KVC Properties, the holders of the preference shares are entitled to receive notice of and attend general meetings (either in person or by proxy) and shall be entitled, on a poll at any general meeting, to one vote for each preference share held provided always that the holders of the preference shares will not have the right to vote at any general meetings of KVC Properties except in the following circumstances : (a) upon any resolution which varies the rights attaching to the preference shares;

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

			<p>(b) upon any resolution for any increase, decrease or variation in the issued share capital of KVC Properties, whether by varying the amount, structure or value thereof or the rights attached thereto or any conversion of any of its share capital into stock or by consolidating, dividing or subdividing all or any of its shares or any class thereof; and</p> <p>(c) upon any resolution for the winding up of KVC Properties.</p> <p>(2) In any of the aforesaid circumstances, the holders of the preference shares will have one vote for each preference share held and may demand a poll at a general meeting of KVC Properties on any resolutions on which the holder may vote.</p>
(vi)	Transferability	:	Notwithstanding anything to the contrary in the constitution of KVC Properties, the preference shares are freely transferable by its holders to any party, with the approval from the board of directors of KVC Properties.
(vii)	KVC Properties' undertakings	:	<p>So long as any preference shares remains in the share capital:</p> <p>(1) KVC Properties will send to each holder of the preference shares, by way of information, one copy of every notice or other document sent to any other shareholders in KVC Properties in their capacity as shareholders, at the same time as it is sent to such other shareholders;</p> <p>(2) KVC Properties shall not, without the sanction of a special resolution of the holders of preference shares, vary or abrogate the rights attaching to the preference shares; and</p> <p>(3) KVC Properties shall not increase the issued and paid-up capital of KVC Properties without the sanction of a special resolution of the holders of preference shares.</p>
(viii)	Redemption	:	The preference shares are not redeemable.
(ix)	Conversion ratio	:	The preference shares may be converted into new ordinary shares in KVC Properties at an issue price of RM1.00 at the conversion ratio of one (1) new ordinary share for every one (1) preference share converted.

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

(x)	Conversion rights	:	KVC Properties has the right to convert the preference shares at the conversion ratio.
(xi)	Status of ordinary share issued pursuant to the conversion	:	The new ordinary shares to be issued pursuant to the conversion of the preference shares shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares in KVC Properties except that the new ordinary shares issued pursuant to the conversion of the preference shares shall not be entitled to any dividend, rights, allotments and/or other distributions, the entitlement date of which precedes the date of the allotment of the new ordinary shares.

(iii) Chew Kuan Fah

Promoter, substantial shareholder and Group Managing Director

Chew Kuan Fah, a Malaysian aged 58, is our Promoter, substantial shareholder and Group Managing Director. He was appointed to our Board on 18 March 2022. He obtained a Diploma in Electrical and Electronic Engineering from Maju Institute Technology, Malaysia in 1988.

Mr Chew began his career with Radio & General Engineering Sdn Bhd as a Project Estimator cum Engineering Assistant in 1984 where he was responsible for electrical contracts, project costings, and supervising projects. He left Radio & General Engineering Sdn Bhd in 1987 to join Scott & English Sdn Bhd as a Sales Representative and was later redesignated as Sales Product Specialist. His responsibilities at Scott & English Sdn Bhd include sales and marketing work.

In 1994, he left Scott & English Sdn Bhd and joined KVC Industries Sdn Bhd (formerly known as Kompres Cable Accessories Sdn Bhd) as a Sales Manager. KVC Industries Sdn Bhd was a dealer in cable accessories and electrical goods. In 1996, he was promoted to Executive Director (non-board position) in 1996 where he was responsible for overseeing sales and product management. He resigned from KVC Industries Sdn Bhd in 2002.

In 2002, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries) as a Sales and Marketing Director where he was responsible for managing the company's sales and marketing department. He was appointed to the board of TSA Industries in 2004 and was promoted to the position of Managing Director in the same year. In 2022, he was redesignated as Group Managing Director where he is responsible for developing strategic plans and overseeing the management, operations and sales of our Group.

Mr Chew holds directorships in several private companies. Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

(iv) Chew Yik Wai

Promoter, substantial shareholder and Executive Director

Chew Yik Wai, a Malaysian aged 61, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 18 October 2022.

Mr Chew attended secondary education at Sekolah Menengah Kebangsaan Dato' Onn, Kuala Lumpur.

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

Mr Chew began his career with Syarikat Tai Kwong Hardware (K.L) Sdn Berhad as a storekeeper in 1979. He was later promoted to Counter Sales Support position in 1986 where he was responsible for handling customers' enquiries, counter purchases and issuing invoices. He left Syarikat Tai Kwong Hardware (K.L) Sdn Berhad in 1993.

In 1994, he joined Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries) as a Purchasing Manager where he was responsible for conducting local and overseas market surveys on pricing and quality and providing market competitive analysis. In 1999, he was promoted to Director, Product Development and Marketing and was later redesignated as Executive Director, Marketing and Product Development (non-board position) in 2007 where his responsibilities included conceptualising new products and implementing marketing plans. He was redesignated as Executive Director (non-board position) in 2013 and was subsequently appointed to the board of TSA Industries in 2022. As our Executive Director, he is responsible for the overall operations of our Group relating to production, procurement and export markets.

Mr Chew holds directorships in several private companies. Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

(v) **Ng Kim Liang**

Promoter, substantial shareholder and Executive Director

Ng Kim Liang, a Malaysian aged 55, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 17 November 2022. He completed his secondary education at Sekolah Menengah Kebangsaan Kepong, Selangor in 1986.

Mr Ng began his career with Khiam Hin & Co as a debt recovery and counter sales officer in 1987 where his responsibilities included the collection of credit sales debts and handling customers' enquiries. In the same year, he left Khiam Hin & Co to join Hong Seng Tat Hardware & Co as a Shop Assistant. He then left Hong Seng Tat Hardware & Co in 1990 to join Hung Sing Tat Hardware & Machinery Sdn Bhd as a Shop Assistant. At both Hong Seng Tat Hardware & Co and Hung Sing Tat Hardware & Machinery Sdn Bhd, he was responsible for the sales activities for maintenance, repair and operations, customers and sourcing products for back-to-back sales.

In 1992, he left Hung Sing Tat Hardware & Machinery Sdn Bhd to join Genware Engineering Hardware Supply as a Sales Executive and was subsequently promoted to Manager. He then left Genware Engineering Hardware Supply in 1997 and joined Genware Engineering Hardware Supply Sdn Bhd in 1998 as a Manager. At both Genware Engineering Hardware Supply and Genware Engineering Hardware Supply Sdn Bhd, he was responsible for managing the business operations of the company including sales budget, product sourcing, and collection.

In 2001, he left Genware Engineering Hardware Supply Sdn Bhd to join Genware Industrial Supply Sdn Bhd as a Manager where he was also responsible for the business operations of the company including sales budget, product sourcing, and collection.

He left Genware Industrial Supply Sdn Bhd in 2001 to join Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries) as Sales Manager where he was responsible for the operation of our branch in Negeri Sembilan, preparation of sales budget, stock planning and oversaw sales staff training. In 2005, he was promoted to Branch Manager where he oversaw the management and operations of our Negeri Sembilan branch. In 2006, he was promoted to Senior Manager, Sales where he was responsible for the sales performance, business strategy and development plan of

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

TSA Industries and its subsidiaries and subsequently in 2007, he was promoted to the position of General Manager, Sales where he was responsible for the overall sales performance, business strategy and development plan of TSA Industries and its subsidiaries, as well as training and development of the sales team. In 2009, he was promoted to the position of Director, Sales where he oversaw the operations of sales and marketing department of TSA Industries.

In 2022, he was appointed to the board of TSA Industries and subsequently redesignated as Executive Director. As our Executive Director, he is responsible for the overall management and the day-to-day operations of the sales and marketing department of our Group, which includes leading the sales team to achieve the annual sales target and developing pricing and sales strategies of our Group.

Mr Ng also holds directorships in several private companies. Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

(vi) Chen Khai Voon
Promoter and substantial shareholder

Chen Khai Voon, a Malaysian aged 63, is our Promoter and substantial shareholder. From 1981 to 1989, he worked in the financial sector and followed by electrical supplies distribution sector in Malaysia.

In 1989, Mr Chen founded KVC Industrial (formerly known as KVC Electric (M) Sdn Bhd). The principal activities of KVC Industrial are investment holding, distribution and supply of industrial, electrical and electronic products and related accessories and components. He is presently a director of KVC Industrial, a position which he has held since 1989. As at the LPD, Mr Chen is a director of KVC Industrial where he provides strategic business advice to the management of KVC Industrial. Mr Chen is not involved in the management and day to day operations of KVC Industrial. He is a business owner and strategic partner of businesses in various industries, such as, industrial supplies, electrical and electronic distribution, automation technology, food & beverages, healthcare, renewable energy and property investments.

In 2002, he was appointed to the board of ATIS Corporation Berhad (now known as KVC Corporation Sdn Bhd) and was subsequently appointed as Group Managing Director of ATIS Corporation Berhad in 2004. He presently holds directorships in other private limited companies in Malaysia.

Mr Chen is a substantial shareholder of our Group and he is not involved in the management and day to day operations of our Group.

(vii) KVC Corporation
Substantial shareholder

KVC Corporation, our substantial shareholder, was incorporated in Malaysia under the Companies Act, 1965 on 8 September 1997 and deemed registered under the Act as a public limited company under the name KVC Corporation Berhad. On 23 May 2002, it changed its name to ATIS Corporation Berhad and it was listed on the Main Board of Kuala Lumpur Stock Exchange in August 2002. It was converted to a private limited company on 24 December 2012 and subsequently on 22 January 2013, it changed its name to KVC Corporation Sdn Bhd. As at the LPD, KVC Corporation is an investment holding company principally involved in holding investment in shares.

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

As at the LPD, the issued share capital of KVC Corporation is RM2,395,347 comprising 4,790,694 ordinary shares and its directors are Chen Khai Voon, Chen Siew Chong @ Chin Siew Chong, Dato' Jeeventhiran A/L Ramanaidu and Chen Kim Lian (alternate to Chen Siew Chong @ Chin Siew Chong).

The shareholders of KVC Corporation and their respective shareholdings as at the LPD are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Chen Khai Voon	Malaysian	3,640,928	76.0	-	-
Chen Siew Chong @ Chin Siew Chong	Malaysian	574,883	12.0	-	-
Chen Kim Lian	Malaysian	574,883	12.0	-	-

(viii) Synergy Cal Substantial shareholder

Synergy Cal, our substantial shareholder, was incorporated in Malaysia under the Companies Act, 1965 on 26 December 2006 and deemed registered under the Act as a private limited company. As at the LPD, Synergy Cal is an investment holding company holding shares in KVC Properties only.

As at the LPD, the issued share capital of Synergy Cal is RM1,000 comprising 1,000 ordinary shares and the directors are Sa Chee Peng, Lee Kok Keong and Chong Koon Yen.

The shareholders of Synergy Cal and their respective shareholdings as at the LPD are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Sa Chee Peng	Malaysian	590	59.0	-	-
Chen Siew Chong @ Chin Siew Chong	Malaysian	100	10.0	-	-
Lee Kok Keong	Malaysian	100	10.0	-	-
Chong Koon Yen	Malaysian	100	10.0	-	-
Chong Lee Chew	Malaysian	20	2.0	-	-
Wong Kok Leong	Malaysian	30	3.0	-	-
Yew Sheau Huey @ Ng Sheau Huey	Malaysian	20	2.0	-	-
Lew Swan Swan	Malaysian	40	4.0	-	-

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

(ix) Sa Chee Peng
Substantial shareholder

Sa Chee Peng, a Malaysian aged 53, is our substantial shareholder.

Mr Sa began his career with KVC Electric (Selangor) Sdn Bhd in 1995 as Sales Executive where he was responsible for the sales and marketing activities of the company. In 1997, he was transferred to KVC Connectors Sdn Bhd and was subsequently promoted to the position of Chief Operating Officer where he was responsible for overseeing the operations of the company.

In 1999, Mr Sa moved to KVC Industrial and was appointed as the Director of Sales and Marketing where he oversaw the sales and marketing operations of KVC Industrial and its subsidiaries. In 2002, he was appointed to the board of KVC Industrial. He is presently a director of KVC Industrial where he is responsible for overseeing the operations of KVC Industrial and its group of companies. He also holds directorships in other private limited companies in Malaysia.

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

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company since incorporation up to the LPD are as follows:

Name	As at incorporation on 18 March 2022				After the Acquisition of TSA Industries				After the IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	%	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Promoters and substantial shareholders												
Barisan Jutawan	-	-	-	-	27,604,906	11.9	-	-	27,604,906	8.9	-	-
KVC Properties	-	-	-	-	116,218,974	50.1	-	-	116,218,974	37.6	-	-
Chew Kuan Fah	100 ⁽⁴⁾	100.00	-	-	57,994,490	25.0	27,604,906 ⁽⁵⁾	11.9	57,994,490	18.8	27,604,906 ⁽⁵⁾	8.9
Chew Yik Wai	-	-	-	-	18,557,920	8.0	27,604,906 ⁽⁵⁾	11.9	18,557,920	6.0	27,604,906 ⁽⁵⁾	8.9
Ng Kim Liang	-	-	-	-	11,598,700	5.0	27,604,906 ⁽⁵⁾	11.9	11,598,700	3.7	27,604,906 ⁽⁵⁾	8.9
Chen Khai Voon	-	-	-	-	-	-	116,218,974 ⁽⁶⁾	50.1	-	-	116,218,974 ⁽⁶⁾	37.6
Substantial shareholders												
KVC Corporation	-	-	-	-	-	-	116,218,974 ⁽⁷⁾	50.1	-	-	116,218,974 ⁽⁷⁾	37.6
Synergy Cal	-	-	-	-	-	-	116,218,974 ⁽⁷⁾	50.1	-	-	116,218,974 ⁽⁷⁾	37.6
Sa Chee Peng	-	-	-	-	-	-	116,218,974 ⁽⁸⁾	50.1	-	-	116,218,974 ⁽⁸⁾	37.6

Notes:

- (1) Based on our issued share capital of 100 Shares as at the date of incorporation.
- (2) Based on our issued share capital of 231,975,000 Shares after the Acquisition of TSA Industries but before our IPO.
- (3) Based on our enlarged issued share capital of 309,300,000 Shares after our IPO.

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

- (4) On 21 October 2022, 890 new Shares were allotted and issued to Chew Kuan Fah at an issue price of RM0.10 per Share and 10 new Shares were allotted and issued to Yap Wan Loong at an issue price of RM0.10 per Share.
- (5) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan pursuant to Section 8(4) of the Act.
- (6) Deemed interested by virtue of his indirect shareholding in KVC Properties via KVC Corporation pursuant to Section 8(4) of the Act.
- (7) Deemed interested by virtue of their direct shareholdings in KVC Properties pursuant to Section 8(4) of the Act.
- (8) Deemed interested by virtue of his indirect shareholding in KVC Properties via Synergy Cal pursuant to Section 8(4) of the Act.

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

5.1.4 Persons exercising control over the corporation

Save for our Promoters and substantial shareholders who collectively hold 75.0% of our enlarged issued share capital after our IPO, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement which may result in a change in control of our Company.

5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters or substantial shareholders

Save as disclosed below, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus:

- (i) the issuance of 231,974,000 Shares as consideration for the Acquisition of TSA Industries;
- (ii) the following declaration of dividend to KVC Properties, Barisan Jutawan, Chew Kuan Fah, Chew Yik Wai and Ng Kim Liang for FYE 2021, FYE 2022 and FYE 2023 and paid:

	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000
Promoters and substantial shareholders			
KVC Properties	17,535	17,535	2,505
Barisan Jutawan	4,165	4,165	595
Chew Kuan Fah	8,750	8,750	1,250
Chew Yik Wai	2,800	2,800	400
Ng Kim Liang	1,750	1,750	250
Total	35,000	35,000	5,000

- (iii) aggregate remuneration and material benefits-in-kind paid or proposed to be paid to certain Promoters and/or substantial shareholders namely, Chew Kuan Fah, Chew Yik Wai and Ng Kim Liang, who are also our Directors, for services rendered to our Group in all capacities for the FYE 2022 and FYE 2023 as set out in Section 5.2.6 of this Prospectus.

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

5.2 BOARD OF DIRECTORS

5.2.1 Directors

Our Board comprises the following members:

<u>Director</u>	<u>Nationality</u>	<u>Designation</u>	<u>Age</u>	<u>Date of appointment</u>
Lim Hun Soon @ David Lim (M)	Malaysian	Independent Non-Executive Chairman	68	4 November 2022
Chew Kuan Fah (M)	Malaysian	Group Managing Director	58	18 March 2022
Chew Yik Wai (M)	Malaysian	Executive Director	61	18 October 2022
Ng Kim Liang (M)	Malaysian	Executive Director	55	17 November 2022
Chong Chin Look (M)	Malaysian	Independent Non-Executive Director	60	17 November 2022
Karmjit Kaur A/P Sarban Singh (F)	Malaysian	Independent Non-Executive Director	62	17 November 2022
Shahira Binti Abdul Aziz (F)	Malaysian	Independent Non-Executive Director	55	17 November 2022

(M) Male

(F) Female

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

(i) Lim Hun Soon @ David Lim
Independent Non-Executive Chairman

Lim Hun Soon @ David Lim, a Malaysian aged 68, is our Independent Non-Executive Director. He was appointed to our Board on 4 November 2022. He graduated with a Bachelor of Arts in Economics from University of Leeds, United Kingdom in 1978.

Mr Lim is a member of the Malaysian Institute of Accountants, The Malaysian Institute of Certified Public Accountants, The Chartered Institute of Taxation, United Kingdom and The Institute of Chartered Accountants in England and Wales.

Mr Lim began his career with Peat Marwick Mitchell (now known as KPMG) in the United Kingdom in 1978. He returned to Malaysia in 1982 to continue his service with KPMG. He was admitted as a partner of KPMG in 1990. He served in KPMG's Management Committee from 1997 to 2001 and the Partnership Supervisory Council from 2002 to 2010. He retired from KPMG in 2011.

He was the Chairman of the MICPA Code of Ethics Committee and a member of the Malaysian Institute of Accountants Code of Ethics Committee from 2002 to 2004.

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

In 2013, Mr Lim was appointed as Council member of The Institute of Chartered Accountants in England and Wales (“**ICAEW**”). The position was for a term of two (2) years till 2015. He was reappointed for a further two (2) terms till March 2019 (being the maximum permitted tenure).

Mr Lim sits on the board of several companies listed on the Main Market of Bursa Securities namely, Kawan Food Berhad, Press Metal Aluminium Holdings Berhad and Ranhill Utilities Berhad, as Independent Non-Executive Director.

Further details of Mr Lim’s directorships in other private and unlisted public limited companies are set out in Section 5.2.4 of this Prospectus.

(ii) Chew Kuan Fah
Group Managing Director

Please refer to Section 5.1.2 of this Prospectus for his profile.

(iii) Chew Yik Wai
Executive Director

Please refer to Section 5.1.2 of this Prospectus for his profile.

(iv) Ng Kim Liang
Executive Director

Please refer to Section 5.1.2 of this Prospectus for his profile.

(v) Chong Chin Look
Independent Non-Executive Director

Chong Chin Look, a Malaysian aged 60, is our Independent Non-Executive Director. He was appointed to our Board on 17 November 2022. He obtained a Bachelor of Economics with a major in Business Administration with Honours in 1987 from University of Malaya, Malaysia. He is a member of The Malaysian Institute of Certified Public Accountants since 1992 and a member of the Malaysian Institute of Accountants since 1993.

Mr Chong began his career with KPMG Peat Marwick (now known as KPMG) as an Audit Assistant in 1987 and was later promoted to Audit Senior in 1990 where he was involved in assurance, audit, taxation and management consultancy. He left KPMG in 1992 to join Bonia Corporation Berhad as Financial Controller where he was responsible for the overall financial and corporate functions of Bonia Corporation Berhad and its group companies. In 1994, he was appointed as a director of Bonia Corporation Berhad and assumed the position of Group Finance Director. He held the position of Financial Controller and Group Finance Director of Bonia Corporation Berhad up until his retirement in 2022.

Mr Chong presently sits on the board of Bonia Corporation Berhad as Non-Independent Non-Executive Director and CEKD Berhad as Independent Non-Executive Director, which are public companies listed on Bursa Securities. He also holds directorships in several private companies.

Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

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

(vi) Karmjit Kaur A/P Sarban Singh
Independent Non-Executive Director

Karmjit Kaur A/P Sarban Singh, a Malaysian aged 62, is our Independent Non-Executive Director. She was appointed to our Board on 17 November 2022. She graduated with a Bachelor of Arts from York University, Toronto, Canada in 1985.

Between 1985 and 1991, Ms Karmjit was working freelance and also pursuing further studies remotely. She began her career with BSN Commercial Bank (M) Berhad (now known as BSNC Corporation Berhad) as Unit Head, Automated Teller Machine (“ATM”) Centre in 1991, where she supervised and coordinated with branches on ATM matters including reviewing daily transactions reports, processing of applications for issuance of cards, customers queries or complaints. In 1994, she was appointed as Account Officer, Credit Procession Department and her duties included evaluating and reviewing loan applications for new and existing customers. In 1996, she was promoted to Assistant Manager, Corporate Banking Division where she was responsible for marketing banking products including corporate and commercial loans, reviewing loan proposals for new and existing customers and preparing annual budget and marketing plans. Subsequently in 1999, she was promoted to Unit Head, Credit Control Department where she was responsible for evaluation of workout proposals for problematic loans which included liaising with monitoring accountants, and/or scheme arrangers. She was also responsible in the preparation and presentation of recovery status report to the loan recovery committee of the bank. She left BSN Commercial Bank (M) Berhad in 2000.

In 2001, Ms Karmjit joined Affin Merchant Bank Berhad as Vice President, Head of Corporate Recovery Division where her responsibilities include overseeing and formulating strategies to optimise recovery of defaulted loan exposure of corporate and commercial borrowers arising out of Asian financial crisis.

In 2003, Ms Karmjit left Affin Merchant Bank Berhad to join the Commonwealth Bank of Australia in Melbourne, Australia as an officer where she was responsible for managing non-performing retail borrowers’ loan exposures, with various branches throughout Australia.

In 2004, Ms Karmjit left the Commonwealth Bank of Australia and returned to Malaysia and joined Affin Investment Bank Berhad (now known as Affin Hwang Investment Bank Berhad) as Vice President, Head of Investment Credit Unit where she was responsible for setting up the Investment Credit Unit to monitor and review investment portfolio comprising mainly bonds and fixed income assets. She was later promoted to First Vice President in 2006 where her responsibilities include overseeing and formulating strategy to optimise recovery of defaulted corporate borrowers’ debt exposures. In 2007, she was promoted to Senior Director, Head of Structured Lending Department where she was primarily responsible for establishing business strategy and annual budget to support and grow the debt exposure of the bank. She retired from Affin Hwang Investment Bank Berhad in July 2021.

She presently sits on the board of Three-A Resources Berhad as Independent Non-Executive Director, which is listed on the Main Market of Bursa Securities. She does not hold any directorship in private limited companies.

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

(vii) Shahira Binti Abdul Aziz
Independent Non-Executive Director

Shahira Binti Abdul Aziz, a Malaysian aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 17 November 2022. She graduated with a Bachelor of Science (Economics) in International Trade and Development with Honours from The London School of Economics and Political Science, University of London, United Kingdom in 1990.

Upon graduation, Ms Shahira began her career with stockbroker Rashid Hussain Securities Sdn Bhd as a Research Analyst in 1990. In 1993, she was transferred to RHB Research Institute Sdn Bhd as a Research Analyst and was later promoted to Senior Research Analyst in 1994 where her responsibilities included evaluating the investment merits of companies in the manufacturing and timber sectors and providing investment recommendations to the sales team and clients.

In 1995, Ms Shahira was transferred from RHB Research Institute Sdn Bhd to the dealing division of Rashid Hussain Securities Sdn Bhd as a Trainee Dealer's Representative. She was subsequently licensed as a Dealer's Representative in 1996 and was assigned to service local institutional clients, mainly insurance-based companies, and was responsible for keeping the clients abreast of daily stock and market updates, providing stock recommendation ideas and executing stock trades for clients. In 2000, she was promoted to the position of Assistant General Manager, where she continued to service local institutional clients, as well as foreign institutional clients.

After more than 12 years in the stockbroking industry, Ms Shahira left Rashid Hussain Securities Sdn Bhd in 2003 to join Optishift Solutions Sdn Bhd, a technology start-up company, as an investor and was later appointed as an executive director of the company in 2004. In 2006, she returned to the capital markets industry and joined Bumiwerks Asset Management Sdn Bhd as a Corporate Planner where she was responsible for the preparation of marketing materials on the company's services for prospective clients.

In 2007, Ms Shahira left Bumiwerks Asset Management Sdn Bhd to join Corston-Smith Asset Management Sdn Bhd ("**CSAM**") as a Corporate Planning and Client Services Manager where she was responsible for the preparation of material information on the company for prospective clients. Her scope of responsibilities was later expanded to cover the role of Director, Fund Management where she conducted company visits within the region and identified stock ideas from the ASEAN markets for clients' portfolios.

Ms Shahira left full-time employment with CSAM in 2014 and was engaged by CSAM on a contract basis from 2014 until 2017 as a Service Consultant on CSAM's Advisory Panel where she assisted the managing director of CSAM in the research of various corporate governance matters, including the composition of women on boards of public listed companies in the ASEAN region. In 2017, she resumed full-time employment with CSAM as Director, Fund Management where she was responsible for leading the regional investment team and managing the ASEAN equity portfolio. In 2019, she was appointed to the board of CSAM as an executive director and appointed as the Co-Chief Executive Officer of CSAM where her scope of responsibilities was expanded to include other operational and administrative matters of the company. She left CSAM in 2021.

Ms Shahira holds directorships in Public Investment Bank Berhad and one private limited company. She is presently not engaged in any full-time employment. Further details of her directorships are set out in Section 5.2.4 of this Prospectus.

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

5.2.3 Directors' shareholdings

Director	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Hun Soon @ David Lim	-	-	-	-	-	-	-	-
Chew Kuan Fah	57,994,490	25.0	27,604,906 ⁽³⁾	11.9	57,994,490	18.8	27,604,906 ⁽³⁾	8.9
Chew Yik Wai	18,557,920	8.0	27,604,906 ⁽³⁾	11.9	18,557,920	6.0	27,604,906 ⁽³⁾	8.9
Ng Kim Liang	11,598,700	5.0	27,604,906 ⁽³⁾	11.9	11,598,700	3.7	27,604,906 ⁽³⁾	8.9
Chong Chin Look	-	-	-	-	-	-	-	-
Karmjit Kaur A/P Sarban Singh	-	-	-	-	-	-	-	-
Shahira Binti Abdul Aziz	-	-	-	-	-	-	-	-

Notes:

(1) Based on our issued share capital of 231,975,000 Shares after the Acquisition of TSA Industries.

(2) Based on our enlarged issued share capital of 309,300,000 Shares upon Listing.

(3) Deemed interested by virtue of their direct shareholdings in Barisan Jutawan pursuant to Section 8(4) of the Act.

None of our Directors are representatives of any of our corporate shareholders.

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

5.2.4 Principal business performed outside our Group

Save as disclosed below, none of our Directors have any principal business activities performed outside our Group including principal directorships in the past 5 years preceding the LPD:

(i) Chew Kuan Fah

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Asia Oriental Commodities	Dormant ⁽¹⁾	Director / Shareholder	9 August 2004	-	-	100.00 ⁽²⁾
Auto 1 Car Service Centre Sdn Bhd	Trading in spare parts, repairing and servicing motor vehicles	Shareholder	-	-	80.00	-
Auto 1 Super Car Service Center Sdn Bhd	Trading in auto spare parts and accessories	Shareholder	-	-	-	80.00 ⁽²⁾
Barisan Jutawan	Investment holding in shares of the Company	Director / Shareholder	10 July 2015	-	50.00	-
Best Mineral	Extraction and dredging of industrial sand, sand for construction and gravel	Director / Shareholder	27 July 2004	-	-	100.00 ⁽²⁾
Decolive	Property investment holding	Director / Shareholder	15 July 2022	-	31.90	-
Dekad Aliran Re Solusi Sdn Bhd	Property investment holding and property development	Director / Shareholder	19 November 2021	-	-	30.00 ⁽³⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Ebest Alliance	Investment holding in shares of private companies	Director / Shareholder	26 May 2008	-	70.00	-
Fortune Pavilion Sdn Bhd	Wholesale of office furniture; wholesale of perfumeries, cosmetics, soap and toiletries; manufacture of soap and detergents, cleaning and polishing preparations	Shareholder	-	-	-	30.00 ⁽²⁾
GI Tech Manufacturing Sdn Bhd	Manufacture of soap and detergents, cleaning and polishing preparations; wholesale of perfumeries, cosmetics, soap and toiletries	Shareholder	-	-	-	100.00 ⁽²⁾
Mitra ACNC	Property investment holding	Director / Shareholder	9 August 2004	-	20.00	-
Starvista Resources Sdn Bhd	Trading and marketing for fast moving consumer goods (for eg. sundries items, food and beverage)	Shareholder	-	-	-	55.00 ⁽²⁾
Total Bun Supplies Sdn Bhd	Manufacturing and trading frozen dough and buns	Director / Shareholder	31 January 2013	-	19.00	-

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

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of cessation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
Past involvement						
Asia Oriental Metal Sdn Bhd	Non-ferrous metal and other industrial hardware products	Director / Shareholder	12 August 2008	6 April 2022	-	100.00 ⁽²⁾⁽⁴⁾
Auto 1 Car Service Centre Sdn Bhd	Trading in spare parts, repairing and servicing motor vehicles	Director	29 May 2008	1 July 2022	-	-
Auto 1 Super Car Service Centre Sdn Bhd	Trading in auto spare parts and accessories	Director	2 September 2008	1 July 2022	-	-
Best Chemical	Distribution and supply of non-ferrous metal and other industrial hardware products; supply and trading of industry and household chemical cleaning products	Director / Shareholder	14 March 2006	15 April 2022	-	100.00 ⁽⁵⁾
Fortune Pavilion Sdn Bhd	Wholesale of office furniture; wholesale of perfumeries, cosmetics, soap and toiletries; manufacture of soap and detergents, cleaning and polishing preparations	Director	13 October 2016	1 July 2022	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
GI Tech Manufacturing Sdn Bhd	Manufacture of soap and detergents, cleaning and polishing preparations; wholesale of perfumeries, cosmetics, soap and toiletries	Director	24 January 2019	1 July 2022	-	-
Nanyang Hardware Sdn Bhd	Hardware trader, contractors, developer and engineers	Shareholder	-	-		70.00 ⁽²⁾⁽⁶⁾
Perniagaan dan Kejuruteraan Sutera Jaya Sdn Bhd	Engineering works, services, consultancy and food industries; supply and distribution of industrial chemicals and construction materials	Director / Shareholder	1 October 2018	1 November 2021	25.00 ⁽⁷⁾	-
Seriplus Industries Sdn Bhd	Dissolved ⁽⁸⁾	Director / Shareholder	3 December 2018	9 February 2021	-	100.00 ⁽²⁾
Starvista Resources Sdn Bhd	Trading and marketing for fast moving consumer goods (for eg. sundries items, food and beverage)	Director	17 May 2016	1 July 2022	-	-
TSA International Sdn Bhd	Dissolved ⁽⁹⁾	Director/ Shareholder	6 January 2016	14 April 2021	50.00	-

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

Notes:

- (1) This company was principally involved in wholesale of ferrous and non-ferrous semi-finished metal ores and products. TSA Industries had disposed of all its shares in this company to Ebest Alliance on 10 May 2022, details of this related party transaction are set out in Section 10.1.1 of this Prospectus. As at the LPD, this company is dormant and its intended principal activity is wholesale of other solid, liquid and gaseous fuels and related products.
- (2) Deemed interested by virtue of his direct shareholdings in Ebest Alliance pursuant to Section 8(4) of the Act.
- (3) Deemed interested by virtue of his direct shareholdings in Mitra ACNC pursuant to Section 8(4) of the Act.
- (4) Ebest Alliance had disposed of all its shares in Asia Oriental Metal Sdn Bhd to Siow Chee Siong, a non-related party, on 10 May 2022.
- (5) TSA Industries had disposed of all its shares in Best Chemical to Siow Chee Siong, a non-related party, on 10 May 2022.
- (6) Ebest Alliance had disposed of all its shares in Nanyang Hardware Sdn Bhd to a Siow Chee Siong, a non-related party, on 10 May 2022.
- (7) Chew Kuan Fah had disposed of all his shares in Perniagaan dan Kejuruteraan Sutera Jaya Sdn Bhd to Chew Kwai Ming, a non-related party, on 3 March 2022.
- (8) This company was dissolved on 9 February 2021. Prior to dissolution, the company was principally involved in manufacturing of plastic products from recycled plastic wastes.
- (9) This company was dissolved on 14 April 2021. Prior to dissolution, the company was principally involved in distribution and supply of non-ferrous metal and other industrial hardware products.

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Asia Oriental Commodities	Dormant ⁽¹⁾	Shareholder	-	-	-	100.00 ⁽²⁾
Auto 1 Super Car Service Center Sdn Bhd	Trading in auto spare parts and accessories	Shareholder	-	-	-	80.00 ⁽²⁾
Barisan Jutawan	Investment holding in shares of the Company	Director / Shareholder	10 July 2015	-	25.00	-
Best Mineral	Extraction and dredging of industrial sand, sand for construction and gravel	Director / Shareholder	7 August 2015	-	-	100.00 ⁽²⁾
Decolive	Property investment holding	Shareholder	-	-	10.00	-
Ebest Alliance	Investment holding in shares of private companies	Director / Shareholder	26 May 2008	-	20.00	-
Fortune Pavilion Sdn Bhd	Wholesale of office furniture; wholesale of perfumeries, cosmetics, soap and toiletries; manufacture of soap and detergents, cleaning and polishing preparations	Shareholder	-	-	-	30.00 ⁽²⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
GI Tech Manufacturing Sdn Bhd	Manufacture of soap and detergents, cleaning and polishing preparations; wholesale of perfumeries, cosmetics, soap and toiletries	Shareholder	-	-	-	100.00 ⁽²⁾
Mitra ACNC	Property investment holding	Shareholder	-	-	10.00	-
Starvista Resources Sdn Bhd	Trading and marketing for fast moving consumer goods (for eg. sundries items, food and beverage)	Shareholder	-	-	-	55.00 ⁽²⁾
Past involvement						
Asia Oriental Metal Sdn Bhd	Non-ferrous metal and other industrial hardware products	Director / Shareholder	12 August 2008	6 April 2022	-	100.00 ⁽²⁾⁽³⁾
Best Chemical	Distribution and supply of non-ferrous metal and other industrial hardware products; supply and trading of industry and household chemical cleaning products	Director / Shareholder	14 March 2006	15 April 2022	-	100.00 ⁽⁴⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Fortune Pavilion Sdn Bhd	Wholesale of office furniture; wholesale of perfumeries, cosmetics, soap and toiletries; manufacture of soap and detergents, cleaning and polishing preparations	Director	13 October 2016	1 July 2022	-	-
GI Tech Manufacturing Sdn Bhd	Manufacture of soap and detergents, cleaning and polishing preparations; wholesale of perfumeries, cosmetics, soap and toiletries	Director	24 January 2019	1 July 2022	-	-
Nanyang Hardware Sdn Bhd	Hardware trader, contractors, developer and engineers	Director / Shareholder	27 May 2016	6 April 2022	-	70.00 ⁽²⁾⁽⁵⁾
Seriplas Industries Sdn Bhd	Dissolved ⁽⁶⁾	Director / Shareholder	3 December 2018	9 February 2021	-	100.00 ⁽²⁾
Starvista Resources Sdn Bhd	Trading and marketing for fast moving consumer goods (for eg. sundries items, food and beverage)	Director	17 May 2016	1 July 2022	-	-
TSA International Sdn Bhd	Dissolved ⁽⁷⁾	Director / Shareholder	6 January 2016	14 April 2021	50.00	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
United Allied Hardware Sdn Bhd	Carrying on the business of mechanical engineers and manufacturers of machinery; to buy, sell, manufacture, repair, alter and otherwise deal in hardware; to act as agents directly or indirectly for the importation, exportation, distribution and sale of any articles or goods	Director / Shareholder	30 September 2014	19 May 2022	-	49.00 ⁽²⁾⁽⁸⁾

Notes:

- (1) This company was principally involved in wholesale of ferrous and non-ferrous semi-finished metal ores and products. TSA Industries had disposed of all its shares in this company to Ebest Alliance on 10 May 2022, details of this related party transaction are set out in Section 10.1.1 of this Prospectus. As at the LPD, this company is dormant and its intended principal activity is wholesale of other solid, liquid and gaseous fuels and related products.
- (2) Deemed interested by virtue of his direct shareholdings in Ebest Alliance pursuant to Section 8(4) of the Act.
- (3) Ebest Alliance had disposed of all its shares in Asia Oriental Metal Sdn Bhd to Siow Chee Siong, a non-related party, on 10 May 2022.
- (4) TSA Industries had disposed of all its shares in Best Chemical to Siow Chee Siong, a non-related party on, 10 May 2022.
- (5) Ebest Alliance had disposed of all its shares in Nanyang Hardware Sdn Bhd to Siow Chee Siong, a non-related party, on 10 May 2022.
- (6) This company was dissolved on 9 February 2021. Prior to dissolution, the company was principally involved in manufacturing of plastic products from recycled plastic wastes.
- (7) This company was dissolved on 14 April 2021. Prior to dissolution, the company was principally involved in distribution and supply of non-ferrous metal and other industrial hardware products.
- (8) Ebest Alliance had disposed of all its shares in United Allied Hardware Sdn Bhd to Siow Chee Siong, a non-related party, on 12 July 2022.

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

(iii) Ng Kim Liang

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Asia Oriental Commodities	Dormant ⁽¹⁾	Director	7 August 2015	-	-	-
AA System Sdn Bhd	Interior design and renovation work	Shareholder	-	-	50.00	-
ATM Engineering Sdn Bhd	Other construction installation (fiber optic, civil and cable infrastructure works)	Shareholder	-	-	50.00	-
Barisan Jutawan	Investment holding in shares of the Company	Director / Shareholder	10 July 2015	-	25.00	-
Decolive	Property investment holding	Director / Shareholder	1 September 2010	-	8.00	-
Ebest Alliance	Investment holding in shares of private companies	Director / Shareholder	26 May 2008	-	10.00	-
Mitra ACNC	Property investment holding	Director / Shareholder	7 August 2015	-	8.00	-
Past involvement						
AA System Sdn Bhd	Interior design and renovation work	Director	31 January 2015	1 July 2022	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Asia Oriental Metal Sdn Bhd	Non-ferrous metal and other industrial hardware products	Director	31 May 2016	6 April 2022	-	-
ATM Engineering Sdn Bhd	Other construction installation (fiber optic, civil and cable infrastructure works)	Director	31 May 2016	1 December 2021	-	-

Note:

- (1) This company was principally involved in wholesale of ferrous and non-ferrous semi-finished metal ores and products. TSA Industries had disposed of all its shares in this company to Ebest Alliance on 10 May 2022, details of this related party transaction are set out in Section 10.1.1 of this Prospectus. As at the LPD, this company is dormant and its intended principal activity is wholesale of other solid, liquid and gaseous fuels and related products.

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

(iv) Lim Hun Soon @ David Lim

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Action Sunrise Sdn Bhd	Investment holding in shares of private companies, provider of management services, agent, wholesaler and distributor in automotive petrol chemical, lubricants and cleaning agents	Shareholder	-	-	2.40	-
Barisan Elite Sdn Bhd	Investment holding in shares of private companies, provision of project management services, project development	Shareholder	-	-	0.59	-
Inbox System Sdn Bhd	Property investment for rental	Director / Shareholder	30 December 2003	-	0.10	-
Joy & Hope Sdn Bhd	Dormant ⁽¹⁾	Director / Shareholder	19 June 2009	-	50.00	-
Kawan Food Berhad	Investment holding ⁽²⁾	Director / Shareholder	21 October 2015	-	2.803	-
Newsmakers Ink Sdn Bhd	Video production and content marketing online	Shareholder	-	-	20.00	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Peoplelogy Development Sdn Bhd	Provision of information technology training and related services, and as investment holding in shares of private companies	Shareholder	-	-	18.00	-
Press Metal Aluminium Holdings Berhad	Investment holding ⁽³⁾	Director	15 August 2018	-	-	-
Public Investment Bank Berhad	Stockbroking, investment banking and related financial services	Director	5 April 2021	-	-	-
Ranhill Utilities Berhad	Investment holding ⁽⁴⁾	Director	1 December 2015	-	-	-
Ranhill SAJ Sdn Bhd	Integrated water supplies and is principally involved in the abstraction of raw water, treatment of water, distribution and sale of treated water to consumers in the State of Johor pursuant to the company's migration from service concession arrangement to operating service arrangement	Director	17 April 2023	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Rockwills Trustee Berhad	Estate planning and administration, custodian and trustee services, will writing and will custody services	Director	17 January 2013	-	-	-
Standoxmix Sdn Bhd	Property investment for rental	Director / Shareholder	1 December 2004	-	49.00	-
Topcode Marketing Sdn Bhd	Car parking operator	Director / Shareholder	28 May 2012	-	50.00	-
Unreserved Sdn Bhd	Magazines publication and advertising	Shareholder	-	-	-	77.68 ⁽⁵⁾
Past involvement						
ACD Development Sdn Bhd	Software house developer, business management or consultancy	Director	27 June 2021	21 November 2021	-	-
Affin Hwang Investment Bank Berhad	Investment banking, stockbroking activities dealing in options and futures, related financial services	Director	15 April 2014	31 March 2021	-	-
Beeducation Adventures Sdn Bhd	Inbound and outbound tour, trainer of software and dealer	Director	27 June 2021	20 November 2021	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Fairview Schools Berhad	International School	Director	30 January 2017	10 March 2022	-	-
Freeed Holdings Sdn Bhd	Activities of head offices; business management consultancy services; other information technology services activities	Director	27 July 2021	31 January 2022	-	-
Manulife Holdings Berhad	Investment holding ⁽⁶⁾	Director	17 July 2012	16 July 2021	-	-
Manulife Insurance Berhad	Underwriting of life insurance business	Director	17 July 2012	16 July 2021	-	-
Newsmakers Ink Sdn Bhd	Video production and content marketing online	Director	12 December 2013	5 August 2019	-	-
Sasbadi Holdings Berhad	Investment holding ⁽⁷⁾	Director	7 May 2013	30 July 2020	-	-
Starcrest Education Limited	International developer and operator of education services in Europe	Director	5 April 2022	7 June 2023	-	-
Unreserved Sdn Bhd	Magazines publication and advertising	Director	20 October 2017	5 August 2019	-	-

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

Notes:

- (1) This company was incorporated as an investment holding company. As at the LPD, the company is dormant.
- (2) Kawan Food Berhad is a public company listed on the Main Market of Bursa Securities. Kawan Food Berhad and its subsidiaries are principally involved in manufacturing, sale, trading, distribution and exporting of frozen food products.
- (3) Press Metal Aluminium Holdings Berhad is a public company listed on the Main Market of Bursa Securities. Press Metal Aluminium Holdings Berhad and its subsidiaries are principally involved in manufacturing and trading of both midstream and downstream aluminium products.
- (4) Ranhill Utilities Berhad is a public company listed on the Main Market of Bursa Securities. Ranhill Utilities Berhad and its subsidiaries are principally involved in treated water supply services, water, wastewater treatment and reclaimed water treatment, energy and renewable energy, non-revenue water management, and multi-disciplinary engineering, procurement and construction management, project management consultancy and operations and maintenance services and consultancy services.
- (5) Deemed interested by virtue of his direct shareholding in Newsmakers Ink Sdn Bhd pursuant to Section 8(4) of the Act.
- (6) Manulife Holdings Berhad is a public company listed on the Main Market of Bursa Securities. Manulife Holdings Berhad and its subsidiaries are principally involved in life insurance business, management of unit trust funds, private retirement schemes, investment and fund management, and Labuan life insurance business and life insurance broking business.
- (7) Sasbadi Holdings Berhad is a public company listed on the Main Market of Bursa Securities. Sasbadi Holdings Berhad and its subsidiaries are principally involved in print publishing, digital solutions and network marketing, and applied learning products and science, technology, engineering and mathematics education.

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

(v) Chong Chin Look

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Bonia Corporation Berhad	Investment holding and management company ⁽¹⁾	Director	20 June 1994	-	-	-
CEKD Berhad	Activities of holding companies ⁽²⁾	Director / Shareholder	7 February 2020	-	0.154	-
Centrade Asia Sdn Bhd	Property investment holding	Shareholder	-	-	-	100.00 ⁽⁸⁾
China Auto Sdn Bhd	Property investment holding	Shareholder	-	-	-	100.00 ⁽⁸⁾
Delloyd Electronics (M) Sdn Bhd	Manufacturing and trading of electronic and electrical automotive parts and accessories	Director / Shareholder	26 May 2023	-	-	10.00 ⁽⁹⁾
Delloyd Industries (M) Sdn Bhd	Manufacturing and trading of automotive parts and accessories	Director / Shareholder	26 May 2023	-	-	10.00 ⁽⁹⁾
Delloyd R & D (M) Sdn Bhd	Research and development services of automotive parts and components	Director / Shareholder	26 May 2023	-	-	10.00 ⁽⁹⁾
Golden Industry Products Sdn Bhd	Trading in dried foodstuff and other food products	Shareholder	-	-	-	41.67 ⁽⁸⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Grandpark Assets Sdn Bhd	Property investment holding	Director	2 May 2014	-	-	-
HKG Ventures Sdn Bhd	Real estate activities with owned or leased property	Director / Shareholder	4 June 2020	-	10.00	-
Jeco (Pte) Limited	Intellectual property management and investment holding	Director	28 December 2010	-	-	-
Ji Long Ventures Sdn Bhd	Investment holding in shares of a property investment company in China	Shareholder	-	-	10.00	14.00 ⁽⁸⁾
Li Luo Ventures Sdn Bhd	Dormant ⁽³⁾	Shareholder	-	-	3.00	44.90 ⁽⁸⁾
Natayu Sdn Bhd	Dormant ⁽⁴⁾	Director / Shareholder	9 February 2023	-	100.00	-
NBS Timber Sdn Bhd	Property investment holding	Shareholder	-	-	-	100.00 ⁽⁸⁾
Palm Valley Development Sdn Bhd	Property investment holding	Director / Shareholder	9 October 2013	-	15.00	-
Purnama Sejahtera Sdn Bhd	Property investment	Director	12 August 2013	-	-	-
Regal Galaxy Sdn Bhd	Investment holding in shares of private companies and property	Director / Shareholder	4 September 2023	-	80.00	-
Send To You (M) Sdn Bhd	Property investment holding	Shareholder	-	-	-	100.00 ⁽⁸⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Seremban Mall Sdn Bhd	Real estate activities with owned or leased property	Director	20 August 2019	-	-	-
Splendid Starhill Sdn Bhd	Investment holding in shares of Grandpark Assets Sdn Bhd	Director / Shareholder	24 April 2014	-	10.00	-
Tavis Sdn Bhd	Tuition centre, human resource consultancy services including labour recruitment and provision of personnel service, research and development on engineering and technology including but not limited to commercialisation of virtual reality software / programme / games intended for educational purpose and to market the relevant hardware and equipment	Director / Shareholder	17 February 2021	-	44.10	6.63 ⁽⁵⁾
Taurus Brown Sdn Bhd	Retail sale of office supplies and equipment	Shareholder	-	-	19.39	42.20 ⁽⁶⁾
Taurus Brown Holdings Sdn Bhd	Investment holding in shares of private companies; assets/portfolio management	Director / Shareholder	25 November 2022	-	50.00	50.00 ⁽⁷⁾

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Wemaz Auto Technology (M) Sdn Bhd	Assembly and trading of automotive parts and accessories	Director / Shareholder	26 May 2023	-	-	10.00 ⁽⁹⁾
Past involvement						
Armani Context Sdn Bhd	Dissolved ⁽¹⁰⁾	Director	1 August 2006	12 October 2020	-	-
Banyan Sutera Sdn Bhd	Marketing and distribution of fashionable goods	Director	4 March 2009	1 July 2021	-	-
CB Marketing Sdn Bhd	Designing, promoting and marketing of fashionable leather goods	Director	1 August 2016	1 July 2021	-	-
Daily Frontier Sdn Bhd	Marketing, distribution and export of fashionable goods and accessories	Director	1 August 2006	1 July 2021	-	-
Daily Frontier (Vietnam) Company Limited	Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics	Legal representative	13 July 2017	28 November 2022	-	-
Dominion Directions Sdn Bhd	Marketing and distribution of men's apparel and accessories	Director	1 July 2009	1 July 2021	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Lianbee-Jeco (M) Sdn Bhd	Trading in leather products including handbags, wallets, footwear and leather goods of all kinds	Director	30 December 2010	1 July 2021	-	-
Luxury Parade Sdn Bhd	Property investment holding	Director	1 August 2016	1 July 2021	-	-
Maha Asia Capital Sdn Bhd	Property investment holding	Director	23 October 2013	1 July 2021	-	-
New Series Sdn Bhd	Dissolved ⁽¹⁾	Director	13 August 2010	23 May 2019	-	-
PT Banyan Cemerlang	Wholesaling of fashionable goods and accessories	Director	11 August 2011	28 July 2022	-	-
PT Jeco Investment Indonesia	Property investment holding	Director	14 August 2018	28 July 2022	-	-
Taurus Brown Sdn Bhd	Retail sale of office supplies and equipment	Director	6 January 2016	11 October 2023	-	-

Notes:

- (1) Bonia Corporation Berhad is a public company listed on the Main Market of Bursa Securities. The principal activities of Bonia Corporation Berhad and its subsidiaries (“**Bonia Group**”) are product design, manufacturing, marketing, distribution and retail of luxury leather goods, footwear, apparel, accessories and lifestyle products. Bonia Group is also involved in real estate investment and provision of management services.
- (2) CEKD Berhad is a public company listed on the ACE Market of Bursa Securities. CEKD Berhad and its subsidiaries are principally involved in manufacturing of die-cutting moulds and trading of related consumables, tools and accessories.
- (3) This company has not commenced operations since its incorporation and its intended principal activity is investment in shares of other companies.

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

- (4) This company is dormant as at the LPD and its intended principal activity is investment in shares of other companies.
- (5) Deemed interested by virtue of his children's direct shareholding in Tavis Sdn Bhd pursuant to Section 59(11)(c) of the Act.
- (6) Deemed interested by virtue of his children's direct shareholding in Taurus Brown Sdn Bhd pursuant to Section 59(11)(c) of the Act.
- (7) Deemed interested by virtue of his child's direct shareholding in Taurus Brown Holdings Sdn Bhd pursuant to Section 59(11)(c) of the Act.
- (8) Deemed interested by virtue of his direct shareholding in Regal Galaxy Sdn Bhd pursuant to Section 8(4) of the Act.
- (9) Deemed interested by virtue of his direct shareholding in Taurus Brown Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
- (10) This company was dissolved on 12 October 2020. Prior to dissolution, the company was principally involved in interior design, advertising and promotion.
- (11) This company was dissolved on 23 May 2019. Prior to dissolution, the company was principally involved in retail activities.

(vi) Karmjit Kaur A/P Sarban Singh

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of cessation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
Present involvement						
Three-A Resources Berhad	Investment holding ⁽¹⁾	Director	8 June 2022	-	-	-
Past involvement						
Asdion Berhad	Investment holding ⁽²⁾ technology and related activities.	Director	12 November 2021	31 January 2023	-	-

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

Notes:

- (1) Three-A Resources Berhad is a public company listed on the Main Market of Bursa Securities. Three-A Resources Berhad and its subsidiaries are principally involved in manufacturing and sale of food and beverages ingredients, and investment holding.
- (2) Asdion Berhad is a public company listed on the ACE Market of Bursa Securities. Asdion Berhad and its subsidiaries are principally involved in logistics businesses, commodity trading, property development and investment holding.

(vii) Shahira Binti Abdul Aziz

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Portman Education Sdn Bhd	Business of education institution, colleges, schools and centre of learning	Director	25 April 2019	-	-	-
Public Investment Bank Berhad	Stockbroking, investment banking and related financial services	Director	1 July 2023	-	-	-
Past involvement						
Aurum Arena Sdn Bhd	Dissolved ⁽¹⁾	Director / Shareholder	17 July 2014	8 May 2019	50.00	-
Corston-Smith Asset Management Sdn Bhd	Fund management	Director	13 March 2019	12 May 2021	-	-
Wilayah Benua Sdn Bhd	Dissolved ⁽²⁾	Director	1 July 2008	13 November 2020	-	-

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

Notes:

- (1) This company was dissolved on 8 May 2019. Prior to dissolution, the company was dormant.
- (2) This company was dissolved on 13 November 2020. The company was dormant since incorporation on 25 June 2008.

5.2.5 Involvement of our Executive Directors in other businesses or corporations

The involvement of our Directors in other business activities outside our Group does not give rise to any conflict of interest situation with our business. Further, the involvement of our Executive Directors in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management. As such, our Executive Directors are of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.6 Remuneration and material benefits-in-kind of our Directors**

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2022 and FYE 2023 are as follows:

FYE 2022

Director	Salary	Fees	Bonus	Statutory Contributions (EPF, SOCSO and EIS)	Allowances	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lim Hun Soon @ David Lim ⁽ⁱ⁾	-	5.7	-	-	0.5 ⁽ⁱⁱⁱ⁾	-	6.2
Chew Kuan Fah	720.0	-	250.0	117.4	66.0	-	1,153.4
Chew Yik Wai	456.0	-	150.0	73.6	84.0	-	763.6
Ng Kim Liang	416.0	-	150.0	68.9	84.0	-	718.9
Chong Chin Look ⁽ⁱⁱ⁾	-	1.5	-	-	0.5 ⁽ⁱⁱⁱ⁾	-	2.0
Karmjit Kaur A/P Sarban Singh ⁽ⁱⁱ⁾	-	1.5	-	-	0.5 ⁽ⁱⁱⁱ⁾	-	2.0
Shahira Binti Abdul Aziz ⁽ⁱⁱ⁾	-	1.5	-	-	0.5 ⁽ⁱⁱⁱ⁾	-	2.0

Notes:

- (i) Appointed as our Independent Non-Executive Chairman on 4 November 2022 and hence, the total is computed on a pro-rata basis.
- (ii) Appointed as our Independent Non-Executive Directors on 17 November 2022 and hence, the total is computed on a pro-rata basis.
- (iii) Our Independent Non-Executive Chairman and Independent Non-Executive Directors respectively have been paid RM500 for each meeting attendance during FYE 2022.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**Proposed for FYE 2023**

Director	Salary	Fees	Bonus	Statutory Contributions (EPF, SOCSO and EIS)	Allowances	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lim Hun Soon @ David Lim	-	36.0	-	-	3.0 ⁽ⁱⁱ⁾	-	39.0
Chew Kuan Fah	720.0	-	-(i)	117.6	84.0	-	921.6
Chew Yik Wai	456.0	-	-(i)	73.5	84.0	-	613.5
Ng Kim Liang	456.0	-	-(i)	73.5	84.0	-	613.5
Chong Chin Look	-	12.0	-	-	3.0 ⁽ⁱⁱ⁾	-	15.0
Karmjit Kaur A/P Sarban Singh	-	12.0	-	-	3.0 ⁽ⁱⁱ⁾	-	15.0
Shahira Binti Abdul Aziz	-	12.0	-	-	3.0 ⁽ⁱⁱ⁾	-	15.0

Notes:

- (i) Bonus for the FYE 2023 will be determined at a later date based on the job performance of the individual and financial results of our Group.
- (ii) Our Independent Non-Executive Chairman and Independent Non-Executive Directors respectively will be paid RM500 for each meeting attendance during FYE 2023.

The remuneration, which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits of our Directors, must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees and/or benefits must be further approved by our shareholders at a general meeting.

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

5.3 BOARD PRACTICES

5.3.1 Responsibility of our Board

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

- (a) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- (b) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- (d) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;
- (e) To review and approve our annual business plans, financial statements and annual reports;
- (f) To develop and implement an investor relations programme for our Group; and
- (g) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

5.3.2 Directorship

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:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment as Director</u>	<u>Date of expiration of the current term in office ⁽¹⁾</u>	<u>No. of years in office</u>
Lim Hun Soon @ David Lim	Independent Non-Executive Chairman	4 November 2022	At our AGM to be held in 2025	1 year 1 month
Chew Kuan Fah	Group Managing Director	18 March 2022	At our AGM to be held in 2024	1 year 8 months
Chew Yik Wai	Executive Director	18 October 2022	At our AGM to be held in 2024	1 year 1 month
Ng Kim Liang	Executive Director	17 November 2022	At our AGM to be held in 2025	1 year 1 month

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

Name	Designation	Date of appointment as Director	Date of expiration of the current term in office ⁽¹⁾	No. of years in office
Chong Chin Look	Independent Non-Executive Director	17 November 2022	At our AGM to be held in 2026	1 year 1 month
Karmjit Kaur A/P Sarban Singh	Independent Non-Executive Director	17 November 2022	At our AGM to be held in 2026	1 year 1 month
Shahira Binti Abdul Aziz	Independent Non-Executive Director	17 November 2022	At our AGM to be held in 2026	1 year 1 month

Note:-

- (1) In accordance with our Constitution, the newly appointed Directors shall hold office only until the next following annual general meeting, and he shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. This is provided always that the new additional Directors shall retire from office at the next following annual general meeting. The new Directors shall hold their office until the close of the next following annual general meeting. Accordingly, all our Directors appointed in the year 2022 have been re-elected at our first AGM held in the year 2023.

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

Our Board acknowledges and takes cognisance of the recommendations under the MCCG released in April 2021 and intends to have our Group adhere to its recommendations.

As at the LPD, our Company has yet to adopt the recommendation under the MCCG to have a Board comprising at least 30% women directors. In this regard, our Company endeavours to comply with the recommendation by October 2024.

Save for the above, the composition of our Board presently adheres to the other recommendations of the MCCG.

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

5.3.3 Audit and Risk Management Committee

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

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chong Chin Look	Chairperson	Independent Non-Executive Director
Karmjit Kaur A/P Sarban Singh	Member	Independent Non-Executive Director
Shahira Binti Abdul Aziz	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibilities on the oversight of the integrity of our Group's accounting and financial reporting matters as well as lead our strategic direction in the management of our business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

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

The terms of reference of our Audit and Risk Management Committee include, amongst others, the following:

- (a) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (b) To review the engagement, compensation, performance, qualifications of our internal auditors and the adequacy of the scope, functions and resources of the internal auditors;
- (c) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (d) To review any related party transactions entered into by our Group and any conflict of interest situations that have arisen or may arise within our Group. This includes reviewing any transactions, procedures or courses of conduct that raises questions about management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (e) To perform such other functions as may be requested by our Board and to oversee and recommend the risk management policies and procedures of our Group;
- (f) To review the adequacy and effectiveness of the risk management systems, internal controls and governance processes implemented in the Company to ensure that our Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;

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

- (g) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (h) To set reporting guidelines for management to report to the committee on the effectiveness of our Group's management of its business risks;
- (i) To review the risk profile of our Group and to evaluate the measures taken to mitigate the business risks; and
- (j) To review the adequacy of management response to issues identified in risk registers, ensuring that our risks are managed within our Group's risk appetite.

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

5.3.4 Nomination Committee

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

Name	Designation	Directorship
Shahira Binti Abdul Aziz	Chairperson	Independent Non-Executive Director
Chong Chin Look	Member	Independent Non-Executive Director
Karmjit Kaur A/P Sarban Singh	Member	Independent Non-Executive Director

The Nomination Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;
- (c) To evaluate the effectiveness of our Board and the relevant Board committees;
- (d) To establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole and the effectiveness of each Director. The annual assessment to be conducted would be based on objective performance criteria approved by our Board;
- (e) To ensure that all Directors receive appropriate continuous training in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements;
- (f) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from our Director and thereafter, to inform our Audit Committee of the same. After deliberation with our Audit Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- (g) To ensure an appropriate framework and succession planning for our Board, including our Group Managing Director and Executive Directors; and

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

- (h) To assist our Board to assess and evaluate the performance of key senior management annually and the results of this assessment will be forwarded to the Remuneration Committee. The Remuneration Committee will then use the results to evaluate and recommend the remuneration packages of the key senior management.

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

5.3.5 Remuneration Committee

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

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Karmjit Kaur A/P Sarban Singh	Chairperson	Independent Non-Executive Director
Chong Chin Look	Member	Independent Non-Executive Director
Shahira Binti Abdul Aziz	Member	Independent Non-Executive Director

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

- (a) To recommend a remuneration framework for our Managing Director, Executive Directors, and key senior management for our Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (b) To recommend specific remuneration packages for our Managing Director, Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;
- (c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Managing Director, Executive Directors and key senior management;
- (d) To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management;
- (e) To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of the Company and to link rewards to individual performance and to assess the needs of the Company for talent at Board level at a particular time; and
- (f) To perform any other functions as defined by our Board.

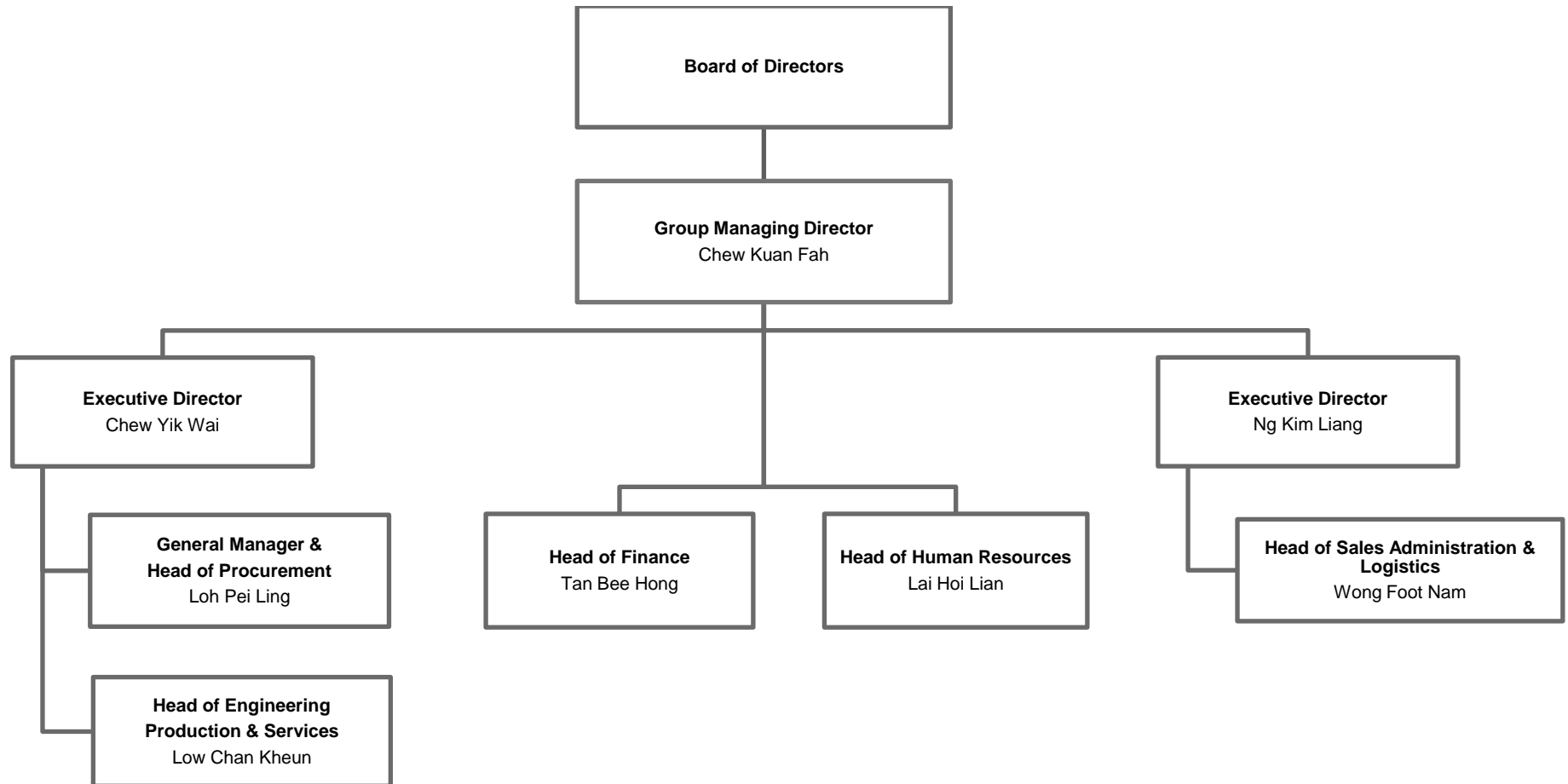
The recommendations of our Remuneration Committee are subject to the approval of our Board.

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

5.4 KEY SENIOR MANAGEMENT

5.4.1 Management structure

The management reporting structure of our Group is as follows:



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

5.4.2 Key senior management's shareholdings

The shareholdings of our key senior management before and after our IPO are set out below:

Name	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Loh Pei Ling	-	-	-	-	1,000,000	0.32	-	-
Tan Bee Hong	-	-	-	-	250,000	0.08	-	-
Lai Hoi Lian	-	-	-	-	300,000	0.10	-	-
Low Chan Kheun	-	-	-	-	780,000	0.25	-	-
Wong Foot Nam	-	-	-	-	1,000,000	0.32	-	-

Notes:

- (1) Based on our issued share capital of 231,975,000 Shares after the Acquisition of TSA Industries.
- (2) Based on our enlarged issued share capital of 309,300,000 Shares upon Listing and assuming full subscription of our Issue Shares allocated to our employees under the Pink Form Allocation.

None of our key senior management are representatives of any of our corporate shareholders.

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

5.4.3 Profiles of key senior management

The profiles of the key senior management of our Group are as follows:

(i) **Loh Pei Ling**
General Manager & Head of Procurement

Loh Pei Ling, aged 52 is our General Manager & Head of Procurement. She obtained her Diploma in Computer Studies in 1994 from Kajang Computer Training Centre, Malaysia.

She began her career with KVC Electric (M) Sdn Bhd (now known as KVC Industrial Supplies Sdn Bhd) involved in the dealing of electrical goods, as Sales Support in 1994 and was later promoted to the position of Senior Procurement Executive in 1999. At KVC Electric (M) Sdn Bhd, she was responsible for all overseas order plans, including liaising with overseas suppliers and forwarding agents, and monitoring the delivery and quality of supply.

In 2002, she was transferred from KVC Electric (M) Sdn Bhd to Thian Soon Industrial Hardware Sdn Bhd (now known as TSA Industries) and was redesignated as Head of Purchasing where she was responsible for handling orders, stock planning, developing and maintaining relationships with vendors. She was later promoted to Deputy General Manager, Procurement and Strategic Product Development in 2009 and her responsibilities included monitoring the stock movement and stock ageing as well as performing market competitive analysis on the pricing and quality of products. In 2013, she was promoted to General Manager, Procurement and Strategic Product Development and her responsibilities included monitoring products quality control. In 2022, she was redesignated as General Manager & Head of Procurement. As our General Manager & Head of Procurement, she provides leadership to our Group's procurement department and is responsible for, among others, overseeing product quality control, stock planning and control, developing and maintaining relationships with vendors, and monitoring overseas' shipments and custom clearance.

She holds directorships in several private companies. Further details of her directorships in other private limited companies are as set out in Section 5.4.4 of this Prospectus.

(ii) **Tan Bee Hong**
Head of Finance

Tan Bee Hong, aged 51, is our Head of Finance. She graduated with a Bachelor of Accounting (Honours) from University of Malaya, Malaysia in 2003. She is a member of the Malaysian Institute of Accountants since 2005.

She began her career at PanGlobal Insurance Sdn Bhd as a Finance Clerk in 1995 where she was responsible for the preparation of monthly fixed assets and bank reconciliation statements, and assisted in carrying out the day-to-day accounting of branches. In 1996, she left PanGlobal Insurance Sdn Bhd to join F J Benjamin Fashions (M) Sdn Bhd as an Administrative Assistant where she was responsible for the general administrative matters of the company. She left F J Benjamin Fashions (M) Sdn Bhd in 1996 to join Kassim Chan & Co as an Administration Clerk where she assisted in reviewing the auditors' time sheets.

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

In 1997, she left Kassim Chan & Co to join Kemas Vista Sdn Bhd as an Administrative Assistant where she was responsible for preparation of dormant company account and sales of properties. She left Kemas Vista Sdn Bhd in 1999 to join Chan & Lo Corporation Sdn Bhd (formerly known as Chan & Lo Management Consultants Sdn Bhd) as an Accounts Supervisor where she supervised the day-to-day bookkeeping and accounting function of the company, including preparing monthly and annual financial statement for both management and statutory accounts. In 2000, she was redesignated as Accounts and Finance Supervisor at Chan & Lo Corporation Sdn Bhd. She left Chan & Lo Corporation Sdn Bhd in 2002.

In 2003, she joined Foo, Lee, An & Associates as an Audit Assistant where her responsibilities included the preparation of working papers and performing analytical review for field audit. In 2004, she left Foo, Lee, An & Associates to join Berjaya Land Berhad as a Senior Accounts Executive where she was responsible for handling the company's full set of accounts. She left Berjaya Land Berhad in 2004 to join Metroplex Berhad as a Finance Executive where she assisted in preparing loan schedules for a restructuring exercise. She left Metroplex Berhad in 2004.

In 2005, she joined Juru Bena Tenaga Sdn Bhd as an Accountant where she oversaw the accounting and finance function of the company and its subsidiaries. She left Juru Bena Tenaga Sdn Bhd in 2007 to join Malaysia Pacific Corporation Berhad as a Senior Accounts Executive and was later promoted to Assistant Accountant where she was responsible for overseeing the accounting and treasury function of the group.

In 2008, she left Malaysia Pacific Corporation Berhad to join Ireka Development Management Sdn Bhd as Vice President, Finance where she oversaw the accounting and treasury function of the subsidiaries of Ireka Corporation Berhad and Aseana Properties Ltd.

In 2016, she left Ireka Development Management Sdn Bhd to join TSA Industries as Senior Manager, Finance and Accounts where she was responsible for the accounting and treasury function of TSA Industries and its subsidiaries. She was redesignated as Head of Finance in 2022. As our Head of Finance, she oversees and manages our Group's accounting and finance matters.

(iii) Lai Hoi Lian
Head of Human Resources

Lai Hoi Lian, aged 58, is our Head of Human Resources. She began her career with Inter Data Technologies (Malaysia) Sdn Bhd (previously known as Toppan Moore Paragon (M) Sdn Bhd) as an Administration Clerk in 1985 and subsequently assumed the position of Accounts Clerk in 1992. Her responsibilities in Inter Data Technologies (Malaysia) Sdn Bhd included bookkeeping and general accounting, invoicing and reconciliation for various departments, and maintaining vendor relationships. In 2003, she was promoted to Accounts Supervisor and her scope of responsibilities was expanded to include overseeing the preparation of the company payroll. During the period between 1998 and 1999, she was undertaking part-time studies at Institute Vermond, Malaysia and obtained a Diploma in Accounting in 1999.

In 2004, she left Inter Data Technologies (M) Sdn Bhd and joined Percetakan Komputer Saga (M) Sdn Bhd as an Accounts Supervisor where she was responsible for overseeing daily transactions including account payable and receivables, and analysing financial statements.

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

In 2007, she left Percetakan Komputer Saga (M) Sdn Bhd to join NAK Business Supplies (M) Sdn Bhd as an Admin Manager where she was responsible for, among others, supervising the day-to-day operations of the administrative department and overseeing department budget planning and development. In 2009, she was transferred to NAK Manufacturing (M) Sdn Bhd and appointed as Admin Manager where she was responsible for the human resource functions including talent acquisition and training and development, setting up and providing leadership to the human resource department, and establishing human resource policies and procedures.

In 2014, she left NAK Manufacturing (M) Sdn Bhd to join TSA Industries as Assistant Manager, Human Resources before being promoted to the position of Manager, Human Resources in the same year where she was responsible for managing the human resource matters of TSA Industries. In 2022, she was redesignated as Head of Human Resources. As our Head of Human Resources, she oversees and manages our Group's human resource matters including talent acquisition process, training, remuneration and employee relations.

(iv) Low Chan Kheun
Head of Engineering Production & Services

Low Chan Kheun, aged 65, is our Head of Engineering Production & Services. He obtained the General Certificate of Education and Malaysia Certificate of Education in 1976 and 1977 respectively.

In 1979, he began serving his apprenticeship as an electrician at a motor rewinding workshop until 1980. In 1980, he joined Malaysia Transformer Manufacturing Sdn Bhd as a coil winder. He was later promoted to Supervisor in 1986 and subsequently to Works Superintendent on Windings, Assembly to Finished Goods Delivery in 1990. His responsibilities in Malaysia Transformer Manufacturing Sdn Bhd included monitoring production processes, planning and organising production schedules, and ensuring efficiency of manufacturing processes.

He left Malaysia Transformer Manufacturing Sdn Bhd in 1995 to join LKH Power Transformers Sdn Bhd as Production Manager where he was responsible for setting up and procuring factory equipment, and planning the layout of machineries. In 2001, he left LKH Power Transformers Sdn Bhd to join LKH Switchgears Sdn Bhd as a Factory Manager where he was responsible for developing and implementing innovative strategies to streamline factory operations, and analysing production data to identify and resolve any production issues. He left LKH Switchgears Sdn Bhd in 2004.

In 2005, he joined TSA Industries as Manager, Production & Business Development and was later promoted to the position of Senior Manager in the same year where he was responsible for managing the manufacturing processes and production line of TSA Industries including the development and enforcement of procedures, and ensuring continuous identification and implementation of cost, quality and process improvement initiatives in the manufacturing plant. He was redesignated as Head of Engineering Production and Services in 2022. As our Head of Engineering Production and Services, he oversees and manages our Group's engineering, production and services department including quality control of products.

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

(v) Wong Foot Nam
Head of Sales Administration & Logistics

Wong Foot Nam, aged 61, is our Head of Sales Administration and Logistic. He completed his Form 3 education at Sekolah Menengah Jenis Kebangsaan Confucian, Kuala Lumpur in 1978.

In 1979, he began working at a factory which manufactured apparels as a handyman where he was responsible for general daily routine work. In 1980, he left his job at the factory to join Syarikat Tai Kwong Hardware (K.L.) Sdn Berhad as a handyman and was later promoted to Counter Clerk in 1985 where he was responsible for walk-in sales.

In 1994, he joined Thian Soon Industrial Hardware Sdn Bhd (now known a TSA Industries) as a Purchasing and Counter Sales Manager where he was responsible for walk-in sales. Since then, he has held various positions at TSA Industries including Manager, Customer Support and Manager, Sales Admin cum Logistics where he was responsible for, among others, organising and performing preventive maintenance for machineries and equipment, monitoring stock movement, and solving problems relating to deliveries. In 2022, he was redesignated as Head of Sales Administration & Logistic. As our Head of Sales Administration & Logistic, he oversees customer support services of our Group including logistics.

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

5.4.4 Principal business performed outside our Group

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

(i) Loh Pei Ling

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
AA System Sdn Bhd	Interior design and renovation work	Shareholder	-	-	50.00	-
Mitra ACNC	Property investment holding	Shareholder	-	-	2.00	-
River Wood Trading Sdn Bhd	Sawmill business	Director / Shareholder	29 October 2012	-	10.00	90.00 ⁽¹⁾
Wheel Riders Malaysia Sdn Bhd	Wholesale and retail sale of parts and accessories for motorcycles; other retail sale in non-specialised stores; wholesale and retail sale of motorcycles	Director / Shareholder	30 March 2022	-	-	70.00 ⁽²⁾
Past involvement						
AA System Sdn Bhd	Interior design and renovation work	Director	21 June 2011	1 July 2022	-	-
Decolive	Property investment holding	Director / Shareholder	31 May 2016	15 July 2022	50.00 ⁽³⁾	-

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

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Techpolish Services Sdn Bhd	Provision of metal polishing and laminating services	Director / Shareholder	10 July 2014	15 July 2022	60.00 ⁽⁴⁾	-
Yu Ting Industrial (M) Sdn Bhd	Dissolved ⁽⁵⁾	Director / Shareholder	12 January 2010	3 January 2020	50.00	-
Wheel Riders Motorcycles Workshop Sdn Bhd	Other retail sale, repair and maintenance of motorcycles	Director	12 April 2019	23 June 2020	-	-

Notes:

- (1) Deemed interested by virtue of her spouse's direct shareholding in River Wood Trading Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of her spouse's direct shareholding in Wheel Riders Malaysia Sdn Bhd pursuant to Section 59(11)(c) of the Act.
- (3) Loh Pei Ling had disposed of all her shares in Decolive on 28 July 2022.
- (4) Loh Pei Ling had disposed of all her shares in Techpolish Services Sdn Bhd on 30 September 2022.
- (5) This company was dissolved on 3 January 2020. Prior to dissolution, the company was dormant.

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

(ii) Low Chan Kheun

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Starvista Resources Sdn Bhd	Trading and marketing for fast moving consumer goods (for eg. sundries items, food and beverage)	Shareholder	-	-	45.00	-

Past involvement

Nil

(iii) Wong Foot Nam

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Nil	-	-	-	-	-	-
Past involvement						
Yu Ting Industrial (M) Sdn Bhd	Dissolved ⁽¹⁾	Director / Shareholder	31 May 2016	3 January 2020	50.00	-

Note:

(1) This company was dissolved on 3 January 2020. Prior to dissolution, the company was dormant.

The involvement of Loh Pei Ling and Low Chan Kheun in those business activities outside our Group do not give rise to any conflict of interest situation with our business. They are not involved in the management and day-to-day operations of these businesses and hence their involvement in those business activities outside our Group does not affect their ability to perform their roles and responsibilities in our Group.

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

5.4.5 Key senior management remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered / to be rendered in all capacities to our Group for the FYE 2022 and FYE 2023 are as follows:

Key senior management	Remuneration Band ⁽¹⁾	
	FYE 2022 (Actual) RM'000	FYE 2023 (Proposed) ⁽²⁾ RM'000
Loh Pei Ling	300-350	300-350
Tan Bee Hong	200-250	200-250
Lai Hoi Lian	100-150	100-150
Low Chan Kheun	150-200	150-200
Wong Foot Nam	150-200	150-200

Notes:

- (1) The remuneration band of our key senior management includes salaries, bonus, fees and allowances as well as other benefits.
- (2) The aggregate remuneration of our key senior management, as stated in Note (1) above, must be considered and recommended by our Remuneration Committee after taking into consideration the annual assessment of the key senior management conducted by our Nomination Committee, and subsequently approved by our Board.

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

There are no family relationships or association between our Promoters, substantial shareholders, Directors and key senior management as at the LPD.

5.6 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which he/she was a director or a member of key senior management⁽¹⁾;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment that was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

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

- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining such person from engaging in any type of business practice or activity;
- (vii) in the last 10 years, such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) any unsatisfied judgment against such person.

Note:

- (1) The following winding up petitions were filed by creditors against the companies of which Chen Khai Voon, our Promoter and substantial shareholder, was a director and shareholder:

<u>Company</u>	<u>Creditor</u>	<u>Status of winding up</u>
Chen Khai Voon was a director and shareholder of Papparich Group Sdn Bhd (" Papparich Group ") holding 999,999 shares (49.99%) and indirectly holding 1,000,001 shares (50.01%) through Adventure Driven Sdn Bhd, where he owns 50% of the total issued share capital of Adventure Driven Sdn Bhd	Chen Khai Voon	Papparich Group was wound up by an order of the High Court under the provisions of the Act on 5 May 2021.
Chen Khai Voon was a director and shareholder of Papparich Malaysia Sdn Bhd (" Papparich Malaysia ") indirectly holding 11,200,000 shares (70%) through Papparich Group	United Overseas Bank (Malaysia) Bhd	Papparich Malaysia was wound up by an order of the High Court under the provisions of the Act on 11 August 2021.
Chen Khai Voon was a director and shareholder of NY Food Sdn Bhd (" NY Food ") indirectly holding 1,000,000 shares (100%) through Papparich Malaysia	CVS Veggies & Fruits Sdn Bhd	NY Food was wound up by an order of the High Court under the provisions of the Act on 12 April 2022.
Chen Khai Voon was a director and shareholder of Roti Roti Manufacturing Sdn Bhd (" Roti Roti Manufacturing ") indirectly holding 200,000 shares (80%) through Papparich Malaysia	Chen Khai Voon	Roti Roti Manufacturing was wound up by an order of the High Court under the provisions of the Act on 22 March 2021.

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

<p>Chen Khai Voon was a director and shareholder of Roti Roti International Sdn Bhd ("Roti Roti International") indirectly holding 200,002 shares (100%) through Papparich Malaysia</p>	<p>United Overseas Bank (Malaysia) Bhd</p>	<p>Roti Roti International was wound up by an order of the High Court under the provisions of the Act on 11 August 2021.</p>
<p>Chen Khai Voon was a director and shareholder of Inti Intisari Sdn Bhd ("Inti Intisari") indirectly holding 60,000 shares (60%) through Roti Roti International</p>	<p>Segi Astana Sdn Bhd</p>	<p>Inti Intisari was wound up by an order of the High Court under the provisions of the Act on 10 May 2023.</p>
<p>Chen Khai Voon was a director and shareholder of Sistem Damai Puncak Sdn Bhd ("Sistem Damai Puncak") indirectly holding 100,000 shares (100%) through Roti Rich International Sdn Bhd where Roti Roti International owns 100% of the total issued share capital of Roti Rich International Sdn Bhd.</p>	<p>AEON Co. (M) Bhd.</p>	<p>Sistem Damai Puncak was wound up by an order of the High Court under the provisions of the Act on 16 November 2023.</p>

5.7 SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into between our Group with our Directors or key senior management, which provide for benefits upon termination of employment.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 18 March 2022 as a private limited company under the name of TSA Group Sdn Bhd. On 1 November 2022, our Company was converted into a public limited company.

Our Company is principally involved in investment holding. Through our subsidiaries, we are principally involved in the distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, manufacturing and processing of stainless steel pipes and other metal products. Please refer to Section 6.3 of this Prospectus for more details of the principal activities of our subsidiaries.

6.1.2 Share capital

Our issued share capital after the Acquisition of TSA Industries is RM120,000,250.20 comprising 231,975,000 Shares. Details of the changes in our issued share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Type of issue / Consideration	No. of cumulative Shares	Cumulative issued share capital (RM)
18 March 2022	100	Subscriber's shares / Cash	100	10.00
21 October 2022	900	Cash	1000	100.00
19 October 2023	231,974,000	Otherwise than cash ⁽¹⁾	231,975,000	120,000,250.20

Note:

(1) Pursuant to the Acquisition of TSA Industries.

There were no discounts, special terms or instalment payment terms given in consideration of the above allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

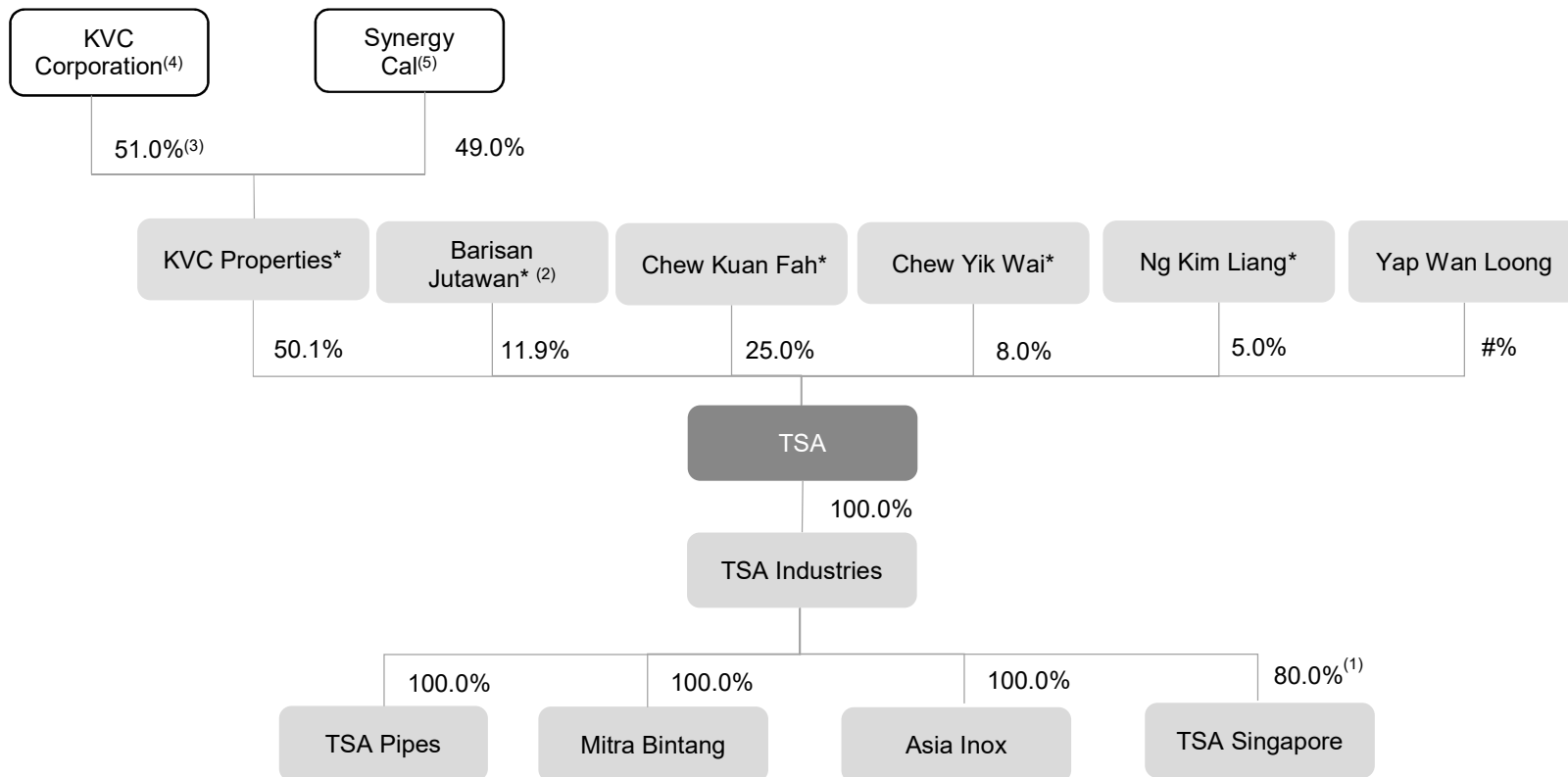
Upon completion of our Listing, our issued share capital will increase to RM160,729,000 comprising 309,300,000 Shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 GROUP STRUCTURE

Our shareholders and Group structure after the Acquisition of TSA Industries and before our IPO, and after our IPO are as set out below:

After the Acquisition of TSA Industries and before our IPO



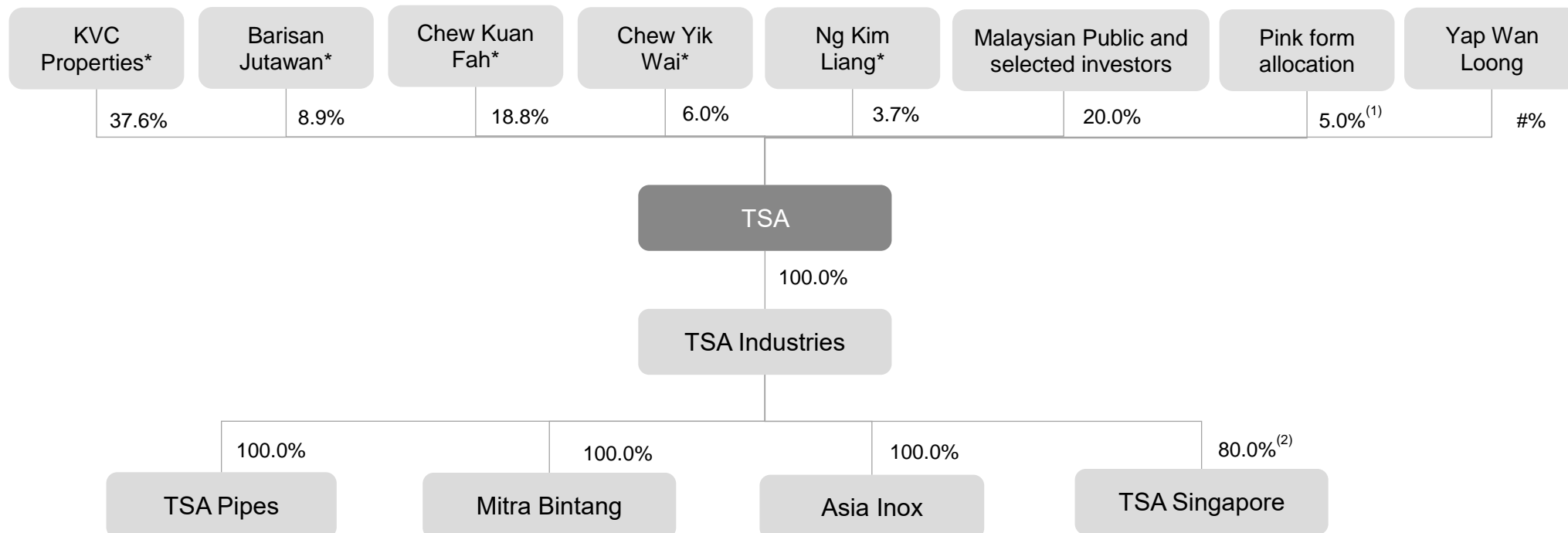
6. INFORMATION ON OUR GROUP (Cont'd)**Notes:**

- * Our Promoter.
- # The amount is negligible.
- (1) The remaining shareholder of TSA Singapore is Lai Chun Wai (20%).
- (2) As at the LPD, the shareholders of Barisan Jutawan are Chew Kuan Fah (50.0%), Chew Yik Wai (25.0%) and Ng Kim Liang (25.0%).
- (3) Based on the ordinary issued share capital of KVC Properties as at the LPD. KVC Corporation holds all 100 preference shares in KVC Properties.
- (4) As at the LPD, the shareholders of KVC Corporation are Chen Khai Voon (76.0%), Chen Siew Chong @ Chin Siew Chong (12.0%) and Chen Kim Lian (12.0%).
- (5) As at the LPD, the shareholders of Synergy Cal are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Sa Chee Peng	Malaysian	590	59.0	-	-
Chen Siew Chong @ Chin Siew Chong	Malaysian	100	10.0	-	-
Lee Kok Keong	Malaysian	100	10.0	-	-
Chong Koon Yen	Malaysian	100	10.0	-	-
Chong Lee Chew	Malaysian	20	2.0	-	-
Wong Kok Leong	Malaysian	30	3.0	-	-
Yew Sheau Huey @ Ng Sheau Huey	Malaysian	20	2.0	-	-
Lew Swan Swan	Malaysian	40	4.0	-	-

6. INFORMATION ON OUR GROUP (Cont'd)

After our IPO



Notes:

* Our Promoter.

The amount is negligible.

(1) Assuming that all the Eligible Persons will subscribe for the Pink Form Allocations.

(2) The remaining shareholder of TSA Singapore is Lai Chun Wai (20%).

6. INFORMATION ON OUR GROUP

6.2.1 Acquisition of TSA Industries

On 8 November 2022, TSA entered into a conditional share sale agreement to acquire the entire equity interest of TSA Industries comprising 5,000,000 ordinary shares for a total purchase consideration of RM127,793,495 based on the adjusted audited consolidated NA of TSA Industries of RM142.793 million as at 31 May 2022 (net of RM15.0 million dividend declared and paid by the Company subsequent to financial period ended 31 May 2022).

Subsequently, TSA had, on 21 April 2023, entered into a supplemental share sale agreement with the Vendors to vary the consideration sum. The Company and the Vendors agreed the consideration sum of RM120,000,150.20 is based on a willing buyer willing seller basis after taking into consideration the audited consolidated NA of TSA Industries for the FYE 31 December 2022 (RM147,729,000) and the RM20,000,000 dividend paid in April 2023.

The total purchase consideration was satisfied by the allotment and issuance of 231,974,000 new Shares at an issue price of RM0.5173 per Share to the Vendors as follows:-

Vendors	No. of Sale Shares	%	Purchase Consideration (RM)	No. of Shares issued
KVC Properties	2,505,000	50.1	60,120,075.25	116,218,974
Barisan Jutawan	595,000	11.9	14,280,017.87	27,604,906
Chew Kuan Fah	1,250,000	25.0	30,000,037.55	57,993,500
Chew Yik Wai	400,000	8.0	9,600,012.02	18,557,920
Ng Kim Liang	250,000	5.0	6,000,007.51	11,598,700
Total	5,000,000	100.0	120,000,150.20	231,974,000

The Acquisition of TSA Industries was completed on 31 October 2023. Upon completion of the Acquisition of TSA Industries, TSA Industries and its subsidiaries namely, TSA Pipes, Mitra Bintang, TSA Singapore and Asia Inox became the subsidiaries of TSA.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 SUBSIDIARIES****6.3.1 Our Subsidiaries**

The details of our subsidiaries as at the LPD are as follows:

Company name and registration no.	Date / Place of incorporation	Principal place of business	Issued share capital	Effective equity interest (%)	Principal activities
TSA Industries (199301025961 (280699-W))	4 November 1993/ Malaysia	Malaysia	RM5,000,000	100.0	Investment holding, distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, and manufacturing and processing of stainless steel pipes and other metal products
<u>Subsidiaries of TSA Industries</u>					
TSA Pipes (199401005295 (290974-K))	1 March 1994/ Malaysia	Malaysia	RM100,000	100.0	Dormant ⁽¹⁾
Mitra Bintang (200401008356 (646860-U))	25 March 2004/ Malaysia	Malaysia	RM4,966,002	100.0	Investment holding
TSA Singapore (201007352G)	7 April 2010/ Singapore	Singapore	SGD100,000 (equivalent to RM349,140 ⁽²⁾)	80.0 ⁽³⁾	Distribution and supply of ferrous and non-ferrous metal and other industrial hardware products
Asia Inox (202301011146 (1505068-U))	24 March 2023/ Malaysia	Malaysia	RM100	100.0	Dormant ⁽⁴⁾

Notes:

- (1) Prior to TSA Pipes becoming dormant, the company was principally involved in the manufacturing and trading of industrial pipes products from FYE 2008 to FYE 2016. As at the date of this Prospectus, we do not have any plans for TSA Pipes.
- (2) Based on the closing rate of SGD1.00 = RM3.4914 as at the LPD as extracted from Bank Negara Malaysia's website
- (3) The remaining shareholder is Lai Chun Wai (20%).
- (4) The intended principal activities of Asia Inox are to produce and process cold-rolled stainless steel coil, and to distribute and sell the cold-rolled stainless steel coil in Malaysia and/or export to other countries. Please refer to Section 7.21 of this Prospectus for details of our Group's business plans in relation to the establishment of a cold rolling line to produce cold-rolled stainless steel coils.

As at the LPD, we do not have any joint venture or associated company.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.2 Share capital information of our subsidiaries

(i) TSA Industries

TSA Industries was incorporated on 4 November 1993 in Malaysia under the Companies Act 1965 as a private limited company under the name of Thian Soon Engineering Hardware Sdn Bhd and is deemed registered under the Act. On 19 March 2001, the company changed its name to Thian Soon Industrial Hardware Sdn Bhd and subsequently on 6 May 2004, changed its name to TSA Industries Sdn Bhd.

The issued share capital of TSA Industries as at the LPD is RM5,000,000 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of TSA Industries for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of TSA Industries were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in TSA Industries.

As at the LPD, the subsidiaries of TSA Industries are TSA Pipes, Mitra Bintang, TSA Singapore and Asia Inox.

(ii) TSA Pipes

TSA Pipes was incorporated on 1 March 1994 in Malaysia under the Companies Act 1965 as a private limited company under the name of Bolline Marketing Sdn Bhd and is deemed registered under the Act. The company changed its name to Bolline Tools Marketing Sdn Bhd on 29 April 1994 and Bolline Tools & Electrical Sdn Bhd on 26 October 1994. On 16 February 1996, the company's name was changed to Bolline Electric and Engineering Sdn Bhd and on 3 January 2003, its name was changed to R & R Industrial Products (N.S.) Sdn Bhd. TSA Pipes assumed its current name on 15 April 2008.

The issued share capital of TSA Pipes as at the LPD is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of TSA Pipes for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of TSA Pipes were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in TSA Pipes.

As at LPD, TSA Pipes does not have any subsidiary or associated company.

(iii) Mitra Bintang

Mitra Bintang was incorporated on 25 March 2004 in Malaysia under the Companies Act 1965 as a private limited company and is deemed registered under the Act.

The issued share capital of Mitra Bintang as at the LPD is RM4,966,002 comprising 4,966,002 ordinary shares. There has been no change in the issued share capital of Mitra Bintang for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of Mitra Bintang were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Mitra Bintang.

As at LPD, Mitra Bintang does not have any subsidiary or associated company.

6. INFORMATION ON OUR GROUP (Cont'd)

(iv) TSA Singapore

TSA Singapore was incorporated on 7 April 2010 in Singapore under the Companies Act 1967 of Singapore.

The issued share capital of TSA Singapore as at the LPD is SGD100,000 (equivalent to RM349,140⁽¹⁾) comprising 100,000 ordinary shares. There has been no change in the issued share capital of TSA Singapore for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of TSA Singapore were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in TSA Singapore.

As at LPD, TSA Singapore does not have any subsidiary or associated company.

Note:

- (1) Based on the closing rate of SGD1.00 = RM3.4914 as at the LPD as extracted from Bank Negara Malaysia's website.

(v) Asia Inox

Asia Inox was incorporated on 24 March 2023 in Malaysia under the Act.

The issued share capital of Asia Inox as at the LPD is RM100 comprising 100 ordinary shares. There has been no change in the issued share capital of Asia Inox since its incorporation and up to the LPD.

None of the ordinary shares of Asia Inox were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Asia Inox.

As at LPD, Asia Inox does not have any subsidiary or associated company.

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7. BUSINESS OVERVIEW

7.1 HISTORY AND BACKGROUND OF OUR GROUP

7.1.1 Incorporation and history

Our Group was established on 4 November 1993 with the incorporation of TSA Industries, with Chew Yik Wai (our current Executive Director), Yee Kim Yuen and Tong Onn Poh, each holding 1 share in TSA Industries respectively, as the initial shareholders.

For the Financial Years and Period Under Review, our principal activities are trading, manufacturing and processing of metal products, mainly of stainless steel. Our largest revenue contributor is in trading of rolled metal products such as plates, bars and coils as well as pipes, channels and angles, and hardware and other products. This is followed by manufacturing of stainless steel pipes, and processing of stainless steel plates and bars carrying out slitting, polishing and perforation activities.

Our operations are in Malaysia and Singapore. We commenced business in trading of stainless steel and other metal products, and hardware and other products in 1993, and subsequently diversified into manufacturing of stainless steel pipes in 2008. We expanded our business overseas to Singapore on 7 April 2010 with the incorporation of TSA Singapore which commenced business operations in the same year in the trading of metal products, hardware and other products. We achieved our first export sales in 2010 comprising manufactured stainless steel pipes to customers in Sri Lanka.

KVC Industrial Supplies Sdn Bhd (KVC Industrial) became a 78.3% shareholder in TSA Industries following the allotment of 1,800,000 new ordinary shares of TSA Industries on 1 September 1999 and subsequently acquired the remaining 21.7% equity interest of TSA Industries on 23 December 2003, following which TSA Industries became a wholly owned subsidiary of KVC Industrial.

On 31 October 2003, KVC Industrial acquired the entire equity interest of TSA Pipes from Chia Hee Chong, Ngu Liong Ting and Chia Kim Seng. On 15 April 2008, KVC Industrial transferred its entire equity interest in TSA Pipes to TSA Industries.

ATIS Corporation Berhad (ATIS Corporation) acquired the entire equity interest of TSA Industries from KVC Industrial on 29 September 2008 for purchase consideration of RM10.05 million. At that time, ATIS Corporation was listed on the Main Board of Bursa Securities. ATIS Corporation was subsequently privatised and delisted from the Main Board of Bursa Securities effective from 18 December 2012, and then changed its name to KVC Corporation Sdn Bhd (KVC Corporation) on 22 January 2013.

KVC Properties then acquired the entire equity interest of TSA Industries from KVC Corporation on 8 September 2015. On 16 November 2015, there was an allotment of new ordinary shares of TSA Industries to KVC Properties, Chew Kuan Fah, Chew Yik Wai, Ng Kim Liang and Barisan Jutawan. As a result, KVC Properties' equity interest in TSA Industries was diluted to 50.1%. Chew Kuan Fah (25.0%), Barisan Jutawan (11.9%), Chew Yik Wai (8.0%) and Ng Kim Liang (5.0%) became direct shareholders of TSA Industries.

Our Group Managing Director, Chew Kuan Fah joined us as Sales and Marketing Director in 2002 and has been with us for more than 21 years. Our Executive Director, Ng Kim Liang joined us as Sales Manager in 2001 and has been with us for more than 22 years. Kindly refer to Section 5.1.2 (iii) and (v) of this Prospectus for further details on Chew Kuan Fah's and Ng Kim Liang's profiles.

7. BUSINESS OVERVIEW (Cont'd)

The historical milestones of our Group are summarised in the following table:

Year	Key Events and Milestones
1993	<ul style="list-style-type: none"> Our Group was founded when TSA Industries⁽¹⁾ was incorporated on 4 November 1993 with Chew Yik Wai (our current Executive Director), Yee Kim Yuen and Tong Onn Poh as the founding shareholders. The company commenced business operations in the same year in the trading of stainless steel and other metal products, and hardware and other products. At that time, TSA Industries operated from the rented premises at Taman Pertama in Cheras, Kuala Lumpur.
1994	<ul style="list-style-type: none"> TSA Pipes⁽²⁾ was incorporated on 1 March 1994.
1995	<ul style="list-style-type: none"> We relocated our business operations from our rented premises to an owned shophouse unit at Taman Sungai Besi Indah in Balakong, Selangor.
1999	<ul style="list-style-type: none"> KVC Industrial Supplies Sdn Bhd (KVC Industrial)⁽³⁾ became a 78.3% shareholder in TSA Industries following the allotment and issuance of 1,800,000 new ordinary shares of TSA Industries on 1 September 1999.
2000	<ul style="list-style-type: none"> TSA Industries acquired a light industrial unit at Taman Industri Selesa Jaya in Balakong, Selangor, and subsequently relocated the business operations to this light industrial unit.
2002	<ul style="list-style-type: none"> ATIS Corporation Berhad ("ATIS Corporation") comprising, amongst others, KVC Industrial, was listed on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE") in August 2002 with 78.3% interest in TSA Industries. TSA Industries' revenue and PAT for the 12 months ended 31 December 2001 were RM37.5 million and RM4.0 million, respectively as compared to the ATIS Corporation's revenue and PATAMI for the FYE 31 December 2001 of RM171.4 million and RM14.4 million, respectively. TSA Industries' 78.3% PAT contribution to ATIS Corporation amounted to 21.75% (<i>Source: ATIS Corporation's prospectus dated 29 June 2002</i>).
2003	<ul style="list-style-type: none"> KVC Industrial acquired the entire equity interest of TSA Pipes on 31 October 2003 from Chia Hee Chong, Ngu Liong Ting and Chia Kim Seng. On 23 December 2003, KVC Industrial acquired the remaining 21.7% equity interest of TSA Industries that it did not already own, following which TSA Industries became a wholly owned subsidiary of KVC Industrial.
2004	<ul style="list-style-type: none"> Mitra Bintang was incorporated on 25 March 2004. The company commenced business operations in 2004 when it acquired the land where our current main operational facility is located.
2005	<ul style="list-style-type: none"> TSA Industries became a 99.99% shareholder in Mitra Bintang following the allotment of 4,966,000 new ordinary shares on Mitra Bintang on 8 August 2005. We subsequently commenced the construction of our main operational facility on the land owned by Mitra Bintang during the same year.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key Events and Milestones
2008	<ul style="list-style-type: none"> We relocated our head office and warehouse operations to our main operational facility with an approximate built-up area of 147,072 sq. ft. in March 2008 following its completion. We diversified our business activities when TSA Pipes began to manufacture round, square and rectangular stainless steel pipes in April 2008. We also began to use our "TSS" brand for the stainless steel pipes that we manufacture in 2008. On 15 April 2008, TSA Industries acquired the entire equity interest in TSA Pipes from KVC Industrial for purchase consideration of RM223,946.00. TSA Industries acquired the remaining 2 ordinary shares of Mitra Bintang that we did not already own on 10 September 2008 from Loh Kum Fatt and Mohd Shahrom Bin Abd Rahim and Mitra Bintang became the wholly owned subsidiary of TSA Industries. ATIS Corporation acquired the entire equity interest of TSA Industries from KVC Industrial on 29 September 2008. At that time, ATIS Corporation was listed on the Main Board of Bursa Securities.
2010	<ul style="list-style-type: none"> We expanded our business overseas to Singapore with the incorporation of TSA Singapore on 7 April 2010 and commenced business operations in the same year in the trading of metal products, hardware and other products from rented premises with an approximate built-up area of 5,188 sq. ft. We started exporting our manufactured stainless steel pipes to customers in Sri Lanka.
2012	<ul style="list-style-type: none"> ATIS Corporation was privatised and delisted from the Official List of Bursa Securities effective on 18 December 2012. ATIS Corporation subsequently changed its name to KVC Corporation Sdn Bhd (KVC Corporation) on 22 January 2013.
2013	<ul style="list-style-type: none"> TSA Singapore relocated its business operations to rented premises at Senoko Avenue, Singapore with an approximate built-up area of 10,503 sq. ft. in 2013.
2015	<ul style="list-style-type: none"> KVC Properties Sdn Bhd (KVC Properties) acquired the entire equity interest of TSA Industries from KVC Corporation on 8 September 2015. On 16 November 2015, there was an allotment of new ordinary shares of TSA Industries to KVC Properties, Chew Kuan Fah, Chew Yik Wai, Ng Kim Liang and Barisan Jutawan due to management buyout. As a result, KVC Properties' equity interest in TSA Industries was diluted to 50.1%. Chew Kuan Fah subscribed for 25.0% equity interest in TSA Industries for a cash consideration of RM1,250,000, Barisan Jutawan subscribed for 11.9% equity interest in TSA Industries for a cash consideration of RM595,000, Chew Yik Wai subscribed for 8.0% equity interest in TSA Industries for a cash consideration of RM400,000 and Ng Kim Liang subscribed for 5.0% equity interest in TSA Industries for a cash consideration of RM250,000.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key Events and Milestones
2016	<ul style="list-style-type: none"> TSA Pipes transferred its pipe manufacturing business to TSA Industries in December 2016 as it is part of our restructuring strategy to streamline our procurement process and simplify our business operation processes to enhance our operational effectiveness. Following thereto, TSA Pipes ceased its business operations and has been dormant since January 2017.
2019	<ul style="list-style-type: none"> TSA Industries obtained the SIRIM Product Certification Licence in 2019 for specific stainless steel grades, types and sizes of stainless steel pipes that we manufacture. The current certification is valid until 20 December 2024.
2021	<ul style="list-style-type: none"> TSA Industries obtained the Certification of Standards Compliance – Building Materials for welded stainless steel mechanical tubing from CIDB in September 2021. The current certification is valid until 31 August 2024.
2022	<ul style="list-style-type: none"> TSA was incorporated on 18 March 2022 as an investment holding company and converted into a public limited company on 1 November 2022. We completed the acquisition of a piece of leasehold land at Sungai Lalang in Semenyih, Selangor measuring approximately 435,615 sq. ft. in size on 7 October 2022 (the Semenyih Land). We intend to establish a manufacturing premises for a stainless steel cold rolling line on the land.
2023	<ul style="list-style-type: none"> Asia Inox was incorporated on 24 March 2023 as a dormant company. The proposed principal activity of Asia Inox is to produce and process cold-rolled stainless steel coils and to distribute and sell the cold-rolled stainless steel coils in Malaysia and/or export to other countries. TSA Singapore relocated its business operations to rented premises at TIMMAC @ Kranji Loop, Singapore with an approximate built-up area of 15,272 sq. ft. in 2023. We completed the Acquisition of TSA Industries on 31 October 2023.

Notes:

- (1) *The company's name upon incorporation on 4 November 1993 was Thian Soon Engineering Hardware Sdn Bhd and changed its name to Thian Soon Industrial Hardware Sdn Bhd on 19 March 2001, and subsequently to its present name TSA Industries on 6 May 2004.*
- (2) *The company's name upon incorporation on 1 March 1994 was Bolline Marketing Sdn Bhd. It changed its name to Bolline Tools Marketing Sdn Bhd on 29 April 1994, Bolline Tools & Electrical Sdn Bhd on 26 October 1994, Bolline Electric and Engineering Sdn Bhd on 16 February 1996, R & R Industrial Products (N.S.) Sdn Bhd on 3 January 2003, and subsequently to its present name TSA Pipes on 15 April 2008.*
- (3) *KVC Industrial Supplies Sdn Bhd was known as KVC Electric (M) Sdn Bhd when it first obtained its direct equity interest in TSA Industries on 1 September 1999. KVC Electric (M) Sdn Bhd changed its name to KVC Industrial Supplies Sdn Bhd on 28 March 2006.*

7.1.2 Our achievements and recognitions

Up to the LPD, the awards and recognitions that we have received include the following:

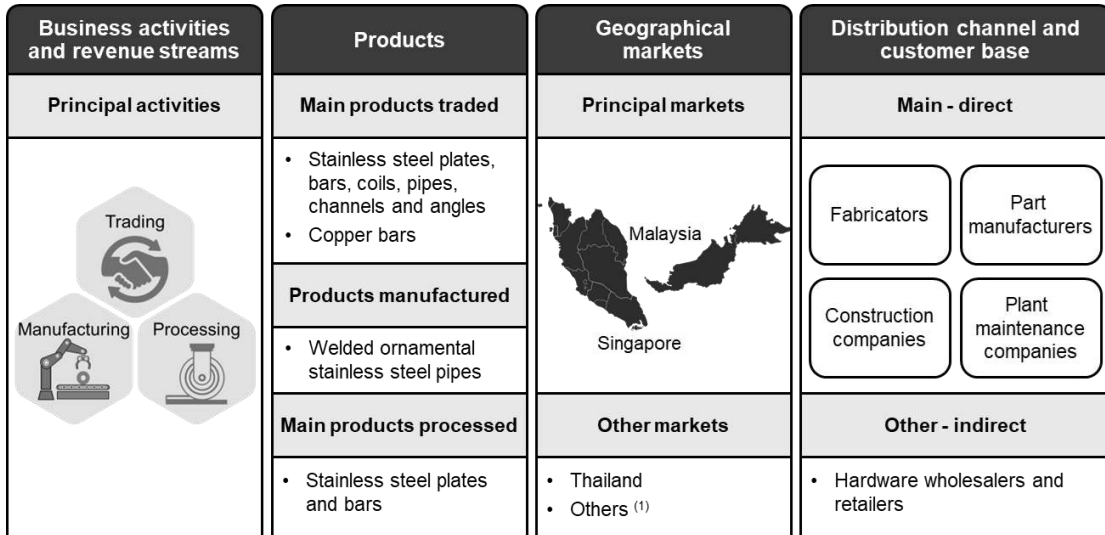
Year	Subsidiary	Awarding Party	Awards and Recognitions
2009	TSA Industries	Ministry of International Trade and Industry	Anugerah Kecemerlangan Industri 2008 (Industry Excellence Award 2008)

7. BUSINESS OVERVIEW (Cont'd)

7.2 OVERVIEW OF OUR BUSINESS

7.2.1 Our business model

Our business model is depicted in the following diagram:

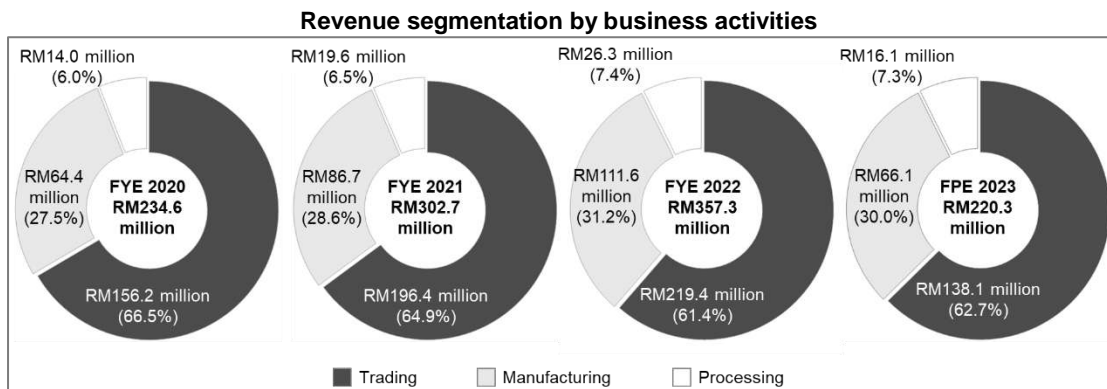


Note:

(1) For FYE 2020, other export markets include Australia, Bangladesh, Brazil, France, India, Indonesia, Kazakhstan, Maldives, Myanmar, New Zealand, Saint Lucia and Sri Lanka.
 For FYE 2021, other export markets include Bangladesh, China, France, India, Indonesia, Maldives, New Zealand and Sri Lanka.
 For FYE 2022, other export markets include Bangladesh, Brunei, France, India, Indonesia, Maldives, New Zealand, Sri Lanka and the United Kingdom.
 For FPE 2023, other export markets include Australia, Bangladesh, France, Indonesia, Maldives, New Zealand, the Philippines, Sri Lanka and the United Kingdom.

7.2.2 Business activities and revenue streams

Our principal business activities are trading, manufacturing and processing of metal products, mainly of stainless steel.



7. BUSINESS OVERVIEW (Cont'd)

(a) Trading of metal and other products

Trading of metal and other products was our largest revenue contributor as it accounted for RM156.2 million (66.5%), RM196.4 million (64.9%), RM219.4 million (61.4%) and RM138.1 million (62.7%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

We trade in the following products:

Trading Segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Rolled metal products ⁽¹⁾	111,054	47.3	152,135	50.3	179,321	50.2	117,641	53.4
Pipes ⁽²⁾	31,871	13.6	28,455	9.4	23,036	6.4	11,598	5.3
Channels and angles ⁽³⁾	4,932	2.1	5,995	2.0	7,717	2.2	5,460	2.5
Hardware and others ⁽⁴⁾	8,314	3.5	9,816	3.2	9,288	2.6	3,352	1.5
Segment total	156,171	66.5	196,401	64.9	219,362	61.4	138,051	62.7

* Percentage of total revenue.

Notes:

- (1) Refers to plates, bars and coils, mainly of stainless steel and also other metals such as copper, aluminium, brass, bronze, lead and carbon steel.
- (2) Mainly stainless steel, while the rest includes carbon steel, aluminium, bronze, brass and copper.
- (3) Mainly stainless steel. Other metals include aluminium, bronze, copper, brass, carbon steel and other metals.
- (4) Including, among others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components.

We mainly trade in rolled metal products including plates, bars and coils mainly of stainless steel. For the Financial Years and Period Under Review, trading of rolled metal products was our largest revenue segment accounting for 47.3%, 50.3%, 50.2% and 53.4% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The remaining of our trading revenue were contributed by trading of pipes, channels and angles, hardware and others which collectively accounted for 19.2%, 14.6%, 11.2% and 9.3% for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

(b) Manufacturing of stainless steel pipes

We manufacture stainless steel pipes which accounted for RM64.4 million (27.5%), RM86.7 million (28.6%), RM111.6 million (31.2%) and RM66.1 million (30.0%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

We manufacture welded ornamental stainless steel pipes with our in-house forming, welding and polishing lines at our main operational facility in Balakong, Selangor. Ornamental pipes are mainly used for non-structural, decorative and architectural purposes such as those used for gates, railings, display stands, furniture, bathroom accessories, and car parts and accessories. As at the LPD, we do not manufacture other types of stainless steel pipes.

We manufacture stainless steel pipes with round, square and rectangle profiles, as well as their respective slotted profiles.

7. BUSINESS OVERVIEW (Cont'd)

(c) Processing of stainless steel products

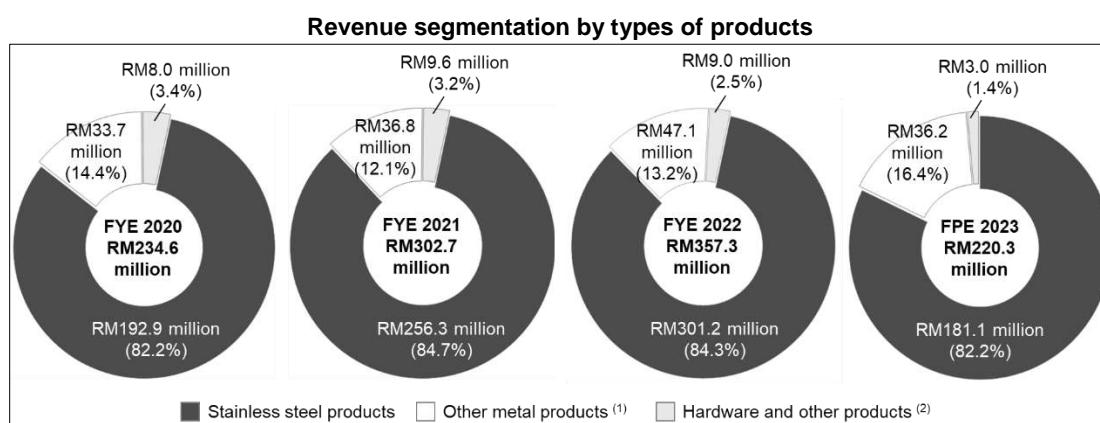
We also carry out the processing of stainless steel products. We would purchase stainless steel plates and bars to carry out processing activities such as slitting, polishing and perforation.

Processing is a value-added activity based on customers' requirements as and when required. In addition, some of the commonly purchased types of polished, slitted and perforated stainless steel products are processed to keep as inventories. Processed products require some value adding but are not significantly different from their input materials, as opposed to manufactured products which are significantly different from their input materials.

Processing of stainless steel products accounted for RM14.0 million (6.0%), RM19.6 million (6.5%), RM26.3 million (7.4%) and RM16.1 million (7.3%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

7.2.3 Types of Products

We specialise in stainless steel products as indicated in the breakdown of our products provided below:



Notes:

- (1) Other metals products comprise copper, aluminium, brass, bronze, lead and carbon steel.
 (2) Hardware and other products include, among others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components.

(a) Stainless steel products

We trade, manufacture and process stainless steel products and our revenue contribution is as follows:

Stainless steel segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Trading	114,449	48.7	149,968	49.6	163,310	45.7	98,759	44.9
Manufacturing	64,461	27.5	86,676	28.6	111,576	31.2	66,131	30.0
Processing	13,996	6.0	19,616	6.5	26,333	7.4	16,157	7.3
Segment total	192,906	82.2	256,260	84.7	301,219	84.3	181,047	82.2

7. BUSINESS OVERVIEW (Cont'd)

* Percentage of total revenue.

We trade in a wide range of stainless steel rolled products of different stainless steel grades, shapes and dimensions to meet the requirements of our customers. These included stainless steel products made from stainless steel grades 201, 202, 303, 304, 304L, 316, 316L, 409 and 439. We trade stainless steel plates, sheets, coils, pipes, square bars, flat bars, round bars, hexagon bars, angle bars, U-channels, chequered and perforated plates, shim and strips, wire, flanges and pipe fittings.

We manufacture stainless steel pipes in-house with various shapes and profiles, including round, square and rectangular, and their respective slotted profiles. The stainless steel pipes that we manufacture are from stainless steel grades 304, 316L, 439, and they are available in polished surface finishing ranging from non-reflective ground finish (180 grit) to reflective mirror finish (800 grit).

In addition, we process stainless steel products comprising slitting of bars, polishing of plates and sheets, and perforating plates and sheets.

(b) Other metal products

Revenue from trading of other metal products was RM33.7 million (14.4%), RM36.8 million (12.1%), RM47.1 million (13.2%) and RM36.2 million (16.4%) for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

We also supply products made from other metals comprising copper, aluminium, brass, bronze, lead and carbon steel as follows:

- copper plates, pipes, tube coils, square bars, flat bars and round bars, and chromium copper square bars, flat bars and round bars;
- aluminium plates, sheets, coils, pipes, square bars, flat bars, round bars, angle bars and chequered plates;
- brass plates, pipes, square bars, flat bars, round bars and hexagon bars;
- other metal products made from bronze, lead and carbon steel such as plates, pipes, square bars, flat and round bars, channels and angles.

We supply these other metal products to customers based on standard dimensions, as well as cut-to-length to meet customer specifications when required.

(c) Hardware and others

Revenue from hardware and others was RM8.0 million (3.4%), RM9.6 million (3.2%), RM9.0 million (2.5%) and RM3.0 million (1.4%) for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

We are involved in trading a range of industrial hardware and other products, such as expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components, switchboard components and scrap metal.

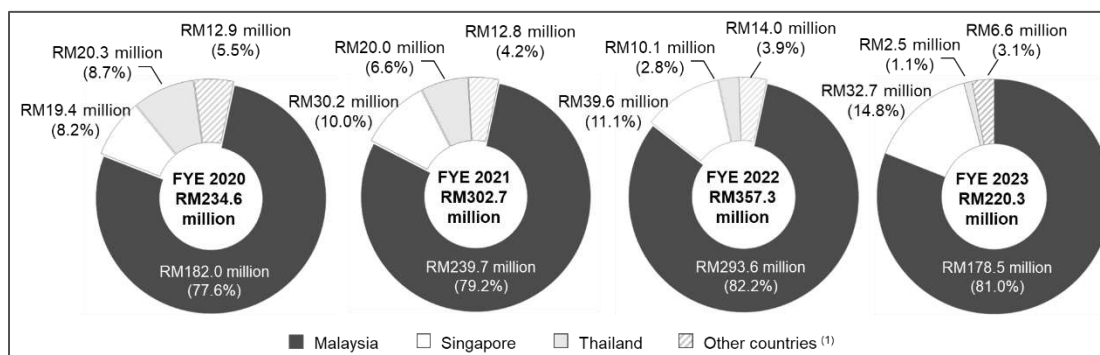
For further details on our range of products by business activities, please refer to Sections 7.5, 7.6 and 7.7 of this Prospectus.

7. BUSINESS OVERVIEW (Cont'd)

7.2.4 Geographical markets

Our Group's principal markets are Malaysia and Singapore. Our revenue segmentation by geographical markets during the Financial Years and Period Under Review is as follows:

Revenue segmentation by geographic market



Note:

(1) Other countries include Australia, Bangladesh, Brazil, Brunei, China, France, India, Indonesia, Kazakhstan, Maldives, Myanmar, New Zealand, the Philippines, Saint Lucia, Sri Lanka and the United Kingdom.

Malaysia was our largest market as it accounted for RM182.0 million (77.6%), RM239.7 million (79.2%), RM293.6 million (82.2%) and RM178.5 million (81.0%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Our subsidiary, TSA Industries serves customers in Malaysia and other countries with the exception of Singapore and Batam, Indonesia which are mainly served by our subsidiary, TSA Singapore.

Our largest foreign market in FYE 2021, FYE 2022 and FPE 2023 was Singapore which accounted for RM30.2 million (10.0%), RM39.6 million (11.1%) and RM32.7 million (14.8%) of our total revenue for FYE 2021, FYE 2022 and FPE 2023 respectively. Meanwhile, in FYE 2020, Thailand was our largest foreign market which accounted for RM20.3 million (8.7%) of our total revenue for FYE 2020.

For the Financial Years and Period Under Review, our exports by business activity were as follows:-

Exports by business activity	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trading	44,110	83.8	49,715	79.0	50,285	79.0	31,663	75.6
Manufacturing	7,696	14.6	12,683	20.1	12,511	19.7	9,324	22.3
Processing	855	1.6	576	0.9	840	1.3	898	2.1
Segment total	52,661	100.0	62,974	100.0	63,636	100.0	41,885	100.0

7. BUSINESS OVERVIEW (Cont'd)

7.2.5 Distribution channels and customer base

We mainly adopt the direct distribution channel whereby our customers purchase our products for use in their fabrication, manufacturing, construction and plant maintenance activities.

Among others, our direct distribution channel customers include fabricators, manufacturers, construction companies and maintenance service providers, who will use our products for, among others, the following:

- fabricating equipment for industrial and commercial applications, such as kitchen equipment and cabinets, and food display equipment;
- manufacturing parts, components and products, including precision parts, moulds and dies;
- using them in construction, renovation and upgrading projects for residential, commercial and industrial buildings; and
- using them as spare parts and materials to maintain, repair or modify machinery and equipment.

We also adopt an indirect distribution channel where we supply goods to intermediaries, such as hardware wholesalers and retailers who will resell the goods to their own network of customers.

The revenue contribution from our direct and indirect distribution channels and types of customers for the Financial Years and Period Under Review is summarised in the following table:

Distribution Channel	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct	210,027	89.5	270,927	89.5	324,499	90.8	201,154	91.3
Fabricators	111,366	47.5	145,142	48.0	168,448	47.1	105,146	47.7
Parts manufacturers	37,724	16.1	54,330	17.9	60,299	16.9	34,037	15.4
Construction companies	11,686	5.0	13,375	4.4	19,779	5.5	17,751	8.1
Plant maintenance companies	10,868	4.6	13,338	4.4	16,331	4.6	9,289	4.2
Others*	38,383	16.3	44,742	14.8	59,642	16.7	34,931	15.9
Indirect	24,601	10.5	31,766	10.5	32,772	9.2	19,185	8.7
Hardware wholesalers and retailers	24,601	10.5	31,766	10.5	32,772	9.2	19,185	8.7
TOTAL	234,628	100.0	302,693	100.0	357,271	100.0	220,339	100.0

* Includes operators of manufacturing plants, and manufacturers of machinery and equipment, furniture, household and other products.

7.2.6 Mode of operation

Our mode of operation is based on purchase orders. This applies to all our trading, manufacturing and processing business activities. The purchase order will specify the product type, specification, quantity and agreed price, as well as other terms such as delivery location and schedule.

7. BUSINESS OVERVIEW (Cont'd)

We will invoice our customers upon delivery of the products. We mainly deliver the ordered goods to our customers' specified destinations. Delivery services are not separately charged but it is one of the components of product pricing for deliveries to destinations in Malaysia, Singapore and other countries, except for a small number of deliveries that are out of our delivery coverage in Malaysia. For these deliveries, the delivery cost is itemised separately and charged to the customer and represented less than 0.3% of the total number of invoices raised during the Financial Years and Period Under Review and up to the LPD.

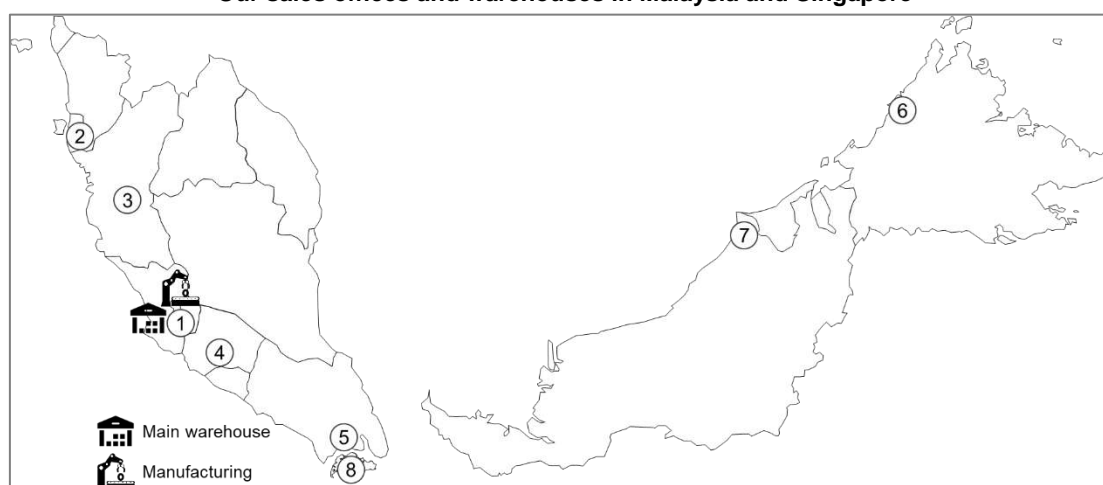
In a small number of cases, our customers in Malaysia and Singapore will pick up the goods from our designated warehouse as they require the products urgently.

7.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

7.3.1 We have sales offices with warehouses in Malaysia and Singapore to provide wide market coverage in these two countries

As at the LPD, we have eight sales offices with warehouses in Malaysia, and one in Singapore as depicted in the following map.

Our sales offices and warehouses in Malaysia and Singapore



Locations:

1) Balakong, Selangor (2 sales offices with warehouses). 2) Perai, Pulau Pinang. 3) Ipoh, Perak. 4) Seremban, Negeri Sembilan. 5) Johor Bahru, Johor. 6) Kota Kinabalu, Sabah. 7) Miri, Sarawak. 8) Singapore.

In Malaysia, we have our main operational facility (with sales office, main warehouse and manufacturing operations) and another sales office with warehouse in Balakong, Selangor. We also have six branch offices comprising sales offices with warehouses in Perai, Pulau Pinang; Ipoh, Perak; Seremban, Negeri Sembilan; Johor Bahru, Johor; Kota Kinabalu, Sabah, and Miri, Sarawak.

Our sales offices provide a base for our sales personnel to serve existing customers and engage with prospective customers in their respective areas. We stock inventories of commonly purchased products in these branches' warehouses. This enables us to fulfil orders promptly in states and territories outside of Selangor rather than relying solely on our main warehouse in Balakong, Selangor.

In addition, our subsidiary, TSA Singapore was incorporated on 7 April 2010 and commenced business operations in the same year in the trading of metal products, hardware and other products. We have a sales office with warehouse in Singapore where we conduct sales and marketing operations, and stock inventories of purchased and manufactured products focusing on sales to customers in Singapore and Batam, Indonesia.

7. BUSINESS OVERVIEW (Cont'd)

During the Financial Years and Period Under Review, Singapore accounted for 8.2%, 10.0%, 11.1% and 14.8% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

The sales offices and warehouses are an advantage to us as they help us to serve our customers and enlarge our addressable markets throughout Malaysia and Singapore.

7.3.2 We manufacture a range of ornamental stainless steel pipes in-house

We have been manufacturing stainless steel pipes since 2008 and we operate our in-house forming, welding and polishing lines at our main operational facility in Balakong, Selangor. We currently manufacture a range of ornamental stainless steel pipes mainly stainless steel grades 304, 316L and 439, and the types of stainless steel pipes that we manufacture comprise round, square and rectangular pipes, and their respective slotted profiles in a range of dimensions and finishing. As at the LPD, we do not manufacture other types of stainless steel pipes. For FYE 2022 and FPE 2023, our range of in-house manufactured stainless steel pipes comprised approximately 7,000 SKU.

In-house stainless steel pipe manufacturing capability is an advantage as we have full control over the quality of the stainless steel pipes that we manufacture. In addition, as we control our manufacturing operations we can manufacture specific types and sizes of stainless steel pipes to meet customer demand, as and when required.

7.3.3 We market the ornamental stainless steel pipes that we manufacture under our own brand

We brand and market most of the ornamental stainless steel pipes that we mainly manufacture under our "TSS" brand, except those that we manufacture under our customers' brands and a small proportion that is not branded. Revenue from ornamental stainless steel pipes manufactured and sold under our TSS brand amounted to RM58.5 million (24.9%), RM76.7 million (25.3%), RM105.1 million (29.4%) and RM61.4 million (27.8%) for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

We have registered the trademark for our TSS brand in Malaysia since 2007, and in Sri Lanka since 2013. Having our own brand of ornamental stainless steel pipes is an advantage as it creates product differentiation, facilitates customer loyalty and encourages return customers and referrals. We actively develop our brand awareness, image and equity to help our products compete in the market. Our brand will provide us with a platform to grow our business in Malaysia and foreign markets.

7.3.4 We have a large customer base to sustain and grow our business, and we are not dependent on any individual customer

We have cultivated a large and diverse customer base since we commenced business in 1993. We had approximately 3,600 active customers during FYE 2022 and 3,300 active customers during FPE 2023 (for 8 months) that made purchases of at least RM2,000 in the respective financial year or financial period. Approximately 85% of our customers for FYE 2022 were recurring customers who purchased goods from us in both FYE 2021 and FYE 2022. Our customers during the Financial Years and Period Under Review included subsidiaries of companies listed on Bursa Securities, such as Eonmetall Technology Sdn Bhd, Leon Fuat Metal Sdn Bhd, LKL Advance Metaltech Sdn Bhd, SFP Technology Sdn Bhd and Syarikat Logam Unitrade Sdn Bhd. We served customers in 12 countries (including Malaysia) during FYE 2022 and FPE 2023. Due to our large customer base, we are not dependent on any individual customer and this was supported by the fact that our top 5 customers collectively accounted for 12.3%, 11.0%, 6.3% and 7.9% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

7. BUSINESS OVERVIEW (Cont'd)

Our large customer base provides us with the platform to sustain and grow our business.

7.3.5 We offer a wide range of products to our customers

We offer a wide range of purchased and manufactured products to meet the diverse needs of our customer base. For FYE 2022, our product range consisted of approximately 18,500 SKU and increased to approximately 18,700 SKU for FPE 2023. Our extensive range of products provides customers with the convenience of a one-stop solution for stainless steel and other metal products, hardware and other products, as well as stainless steel pipes.

Our ability to offer a wide range of products to our customers is an advantage as it enlarges our addressable customer base, and at the same time facilitates higher sales from each customer.

7.3.6 The products that we supply to our customers have a wide range of applications

The products that we supply to our customers, comprising our traded, processed and manufactured products, have a wide range of applications. The common applications of the main categories of products that we trade and process, and the stainless steel pipes that we manufacture include, among many others, the following:

Type of Product	Applications
Traded and processed products *	
Stainless steel products	<ul style="list-style-type: none"> Household appliances, products and cooking utensils. Architectural fittings. Sinks and sanitary ware. Food and beverage, chemical and pharmaceutical processing machinery and equipment. Vehicle parts and components.
Copper products	<ul style="list-style-type: none"> Electrical components. Heating and cooling system components. Air conditioning systems. Architectural trim and fittings.
Aluminium products	<ul style="list-style-type: none"> Household appliances, products and cooking utensils. Electrical components. Heating and cooling system components. Architectural trim and fittings. Shipbuilding and vehicle parts and components. Packaging.
Brass products	<ul style="list-style-type: none"> Decorative items. Architectural trim and fittings. Ironmongeries and hardware. Electrical sockets and plugs.
Manufactured products	
Stainless steel pipes	<ul style="list-style-type: none"> Architectural trim and fittings. Household appliances and products. Sanitary ware. Food and beverage, chemical and pharmaceutical processing machinery and equipment. Ironmongeries and hardware. Vehicle parts and components.

Note: * The processed stainless steel products that we supply to our customers are similar to traded products, except that they may be bars cut to a narrower width, polished plates or plates perforated with holes at specific locations per the customers' requirements.

7. BUSINESS OVERVIEW (Cont'd)

The wide range of applications of the products that we supply is an advantage as we have a large addressable customer base, which is evidenced by our large customer base of approximately 3,600 active customers during FYE 2022 and 3,300 active customers during FPE 2023 (for 8 months) that made purchases of at least RM2,000 in the respective financial year or financial period.

7.3.7 We have an established track record of 30 years

We have an established track record of 30 years in the trading of stainless steel and other metal products since the inception of our Group in 1993. Meanwhile, we have a track record of 15 years as a manufacturer of stainless steel pipes since the commencement of TSA Pipes' in 2008. We have established and maintained long-term business relationships with our customers, supported by the fact that 3 of our top 5 customers for the FYE 2022 and 2 of our top 5 customers for the FPE 2023 have been dealing with us for 10 years or more.

Our established track record will provide us with the platform to sustain and grow our business.

7.3.8 We have experienced Directors and key senior management team to grow our business

We have an experienced management team headed by our directors, namely:

- Chew Kuan Fah, our Group Managing Director, who has extensive experience of approximately 36 years in industrial products, is responsible for managing strategic plans and overseeing the management, operations and sales of our Group;
- Chew Yik Wai, our Executive Director, has approximately 37 years of experience in the industrial hardware supply industry, is responsible for our Group's overall operations relating to production, procurement and export markets; and
- Ng Kim Liang, our Executive Director, has approximately 36 years of experience in the sales and marketing of industrial hardware products, is responsible for overall management and day-to-day operations of our Group's sales and marketing department.

They are supported by our key senior management team which comprises the following:

- Loh Pei Ling, our General Manager & Head of Procurement, who brings with her approximately 24 years of experience in procurement, is responsible for leading our Group's procurement department, stock planning and control, developing and maintaining relationships with suppliers, and monitoring overseas shipments and customs clearance;
- Tan Bee Hong, our Head of Finance, has approximately 28 years of experience in the fields of finance, administration and accounting, is responsible for the overall accounting and finance matters of our Group;
- Lai Hoi Lian, our Head of Human Resources, has approximately 38 years of experience in the fields of administration and human resources, and is responsible for the human resources function of our Group including talent acquisition, training, remuneration and employee relations;
- Low Chan Kheun, our Head of Engineering Production & Services, has approximately 28 years of experience in manufacturing, and is responsible for our Group's engineering production and services department, including product quality control; and
- Wong Foot Nam, our Head of Sales Administration & Logistics, has approximately 29 years of experience in the trading of stainless steel and other metal products, and hardware, is responsible for overseeing our Group's customer support services, including logistics.

Please refer to Sections 5.1.2 and 5.4.3 of this Prospectus for the profiles of our Directors and key senior management team respectively.

7. BUSINESS OVERVIEW (Cont'd)

7.4 OVERVIEW OF OUR PRODUCTS
7.4.1 Stainless steel

Our business activities including trading, manufacturing and processing mainly involves stainless steel which accounted for RM192.9 million (82.2%), RM256.3 million (84.7%), RM301.2 million (84.3%) and RM181.1 million (82.2%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Stainless steel is an alloy of iron that is characterised by high resistance to corrosion and rusting. It also exhibits high resistance to attack by acid, alkali and other chemicals, good mechanical strength and durability, ease of cleaning and sterilising, and it can be polished to a high degree of reflectiveness. Stainless steel's resistance to corrosion and rusting is due to chromium, its main alloying element (usually at least 10.5% by weight). Other alloying elements may also be added to achieve the desired properties.

Specific stainless steel alloys are designated by their standard alloy numbering grades. Stainless steel grades are generally based on the types and relative quantities of alloying elements, which determines the physical properties of the resulting stainless steel. As they have different properties, each stainless steel grade has different price points and end-use applications. Following are some of the common grades of stainless steel that we use in our business activities.

Stainless Steel Grades Description and Applications	
201	<ul style="list-style-type: none"> • Stainless steel grade 201 contains less nickel and is thus generally less costly compared to stainless steel grade 304. • Resistant to corrosion and rusting, although less resistant than stainless steel grade 304. • Easy to form into various shapes and fabricate with good toughness. • Common applications include: <ul style="list-style-type: none"> - architectural applications such as window and doors; - general household appliances, cooking utensils, sinks and other goods; and - ornamental automotive parts such as trim
303	<ul style="list-style-type: none"> • Stainless steel grade 303 has very high machinability and toughness. • Good resistance to corrosion and rusting. • Used to manufacture parts that must be heavily worked with machine tools, such as: <ul style="list-style-type: none"> - fasteners such as nuts, bolts and screws; - machinery parts such as gears, shafts and bushings; and - aircraft fittings.
304	<ul style="list-style-type: none"> • Stainless steel grade 304 is the most commonly used grade of stainless steel. • High resistance to corrosion and rusting. • Easy to form into various shapes and fabricate. • Common applications include: <ul style="list-style-type: none"> - architectural fittings such as doors, windows, gates, handrails, panelling and water features; - sinks and sanitary ware; - general household appliances, cooking utensils, sinks, sanitary ware and other goods; - brewery, food, dairy and pharmaceutical production equipment; and - functional automotive parts such as exhaust manifolds.

7. BUSINESS OVERVIEW (Cont'd)

Stainless**Steel Grades Description and Applications**

304L	<ul style="list-style-type: none"> • Stainless steel grade 304L is the low-carbon version of stainless steel grade 304. • High resistance to corrosion and rusting. • Easy to form into various shapes and fabricate, better weldability compared to stainless steel grade 304. • Commonly used to manufacture thick products that require welding.
316	<ul style="list-style-type: none"> • Stainless steel grade 316 is the second most common stainless steel grade. • Highly resistant to corrosion from salt, chemicals and pitting corrosion due to relatively high molybdenum content. • Common applications include: <ul style="list-style-type: none"> - industrial food processing equipment, particularly where salt and acid are present; - medical devices, implants and pharmaceutical manufacturing equipment; - chemical processing, storage and transportation; and - machinery, equipment and parts used in the marine environment.
316L	<ul style="list-style-type: none"> • Low carbon content results in high resistance to interior corrosion along welds, which makes stainless steel grade 316L suitable for manufacturing welded pipes and vessels used to hold fluids under pressure.
409	<ul style="list-style-type: none"> • Generally, less costly compared to other stainless steel grades as it does not contain nickel. • Good resistance to corrosion and rusting. • High heat resistance. • Common applications include: <ul style="list-style-type: none"> - functional automotive parts such as exhaust systems; - shipping containers; - road and rail vehicles; and - warehouse and transportation equipment.
439	<ul style="list-style-type: none"> • Improved resistance to corrosion and oxidation at high temperatures compared to other stainless steel grades. • Common applications include: <ul style="list-style-type: none"> - catalytic converters for automotive exhaust systems; and - industrial equipment used for high temperatures such as process piping, heat exchangers and food handling equipment.

7. BUSINESS OVERVIEW (Cont'd)

7.5 TRADING OF METAL AND OTHER PRODUCTS

7.5.1 Overview

One of our principal business activities is in trading mainly of metal products which represented our largest revenue contribution for the Financial Years and Period Under Review.

The breakdown of our trading business segmented by products is as follows:

Trading Segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Rolled metal products ⁽¹⁾	111,054	47.3	152,135	50.3	179,321	50.2	117,641	53.4
Pipes ⁽²⁾	31,871	13.6	28,455	9.4	23,036	6.4	11,598	5.3
Channels and angles ⁽³⁾	4,932	2.1	5,995	2.0	7,717	2.2	5,460	2.5
Hardware and others ⁽⁴⁾	8,314	3.5	9,816	3.2	9,288	2.6	3,352	1.5
Segment total	156,171	66.5	196,401	64.9	219,362	61.4	138,051	62.7

* Percentage of total revenue

Notes:

- (1) Refers to plates, bars and coils, mainly of stainless steel and also other metals such as copper, aluminium, brass, bronze, lead and carbon steel.
- (2) Mainly stainless steel, while the rest includes carbon steel, aluminium, bronze, brass and copper.
- (3) Mainly stainless steel. Other metals include aluminium, bronze, copper, brass, carbon steel and other metals.
- (4) Including, among others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components.

We mainly trade in rolled metal products which collectively accounted for RM111.1 million (47.3%), RM152.1 million (50.3%), RM179.3 million (50.2%) and RM117.6 million (53.4%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Most of our trading of metal products are for stainless steel as segmented below:

Trading Segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Stainless steel	114,448	48.7	149,968	49.6	163,310	45.7	98,759	44.8
Copper	15,376	6.6	20,119	6.6	24,380	6.8	21,295	9.7
Others [^]	26,347	11.2	26,314	8.7	31,672	8.9	17,997	8.2
Segment total	156,171	66.5	196,401	64.9	219,362	61.4	138,051	62.7

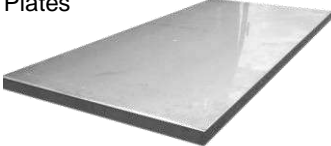



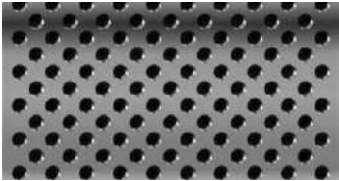

* Percentage of total revenue; [^] Others include aluminium, carbon steel, brass, bronze, lead, other metals, and hardware and related products. Individually, none of them represents more than 3.0% of total revenue.

Our trading business involves purchasing products from third-party suppliers and selling them to our customers with no modification except for cutting to the desired length specified by customers.

7. BUSINESS OVERVIEW (Cont'd)

7.5.2 Stainless steel flat products


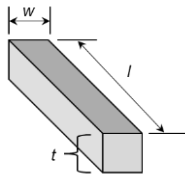

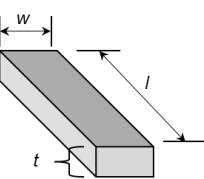

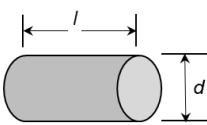

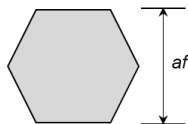
The following are the main types of stainless steel flat products that we trade:

Stainless steel flat products	Standard Dimensions	Stainless Steel Grades
<p>Plates</p> 	<ul style="list-style-type: none"> • Thickness: 3.0 mm to 100.0 mm • Smallest size: 600 mm by 1,200 mm • Largest size: 2.0 m by 6.1 m 	<p>304, 316, 316L and 439</p>
<p>Sheets</p> 	<ul style="list-style-type: none"> • Thickness: 0.3 mm to 3.0 mm • Smallest size: 600 mm by 1,200 mm • Largest size: 2.0 m by 6.1 m 	<p>304, 316, 316L and 439</p>
<p>Coils</p> 	<ul style="list-style-type: none"> • Thickness: 0.3 mm to 12.0 mm • Width: 1.2 m to 2.0 m • Weight: 1 tonne to 8 tonne 	<p>304, 316, 316L and 439</p>
<p>Chequered plates</p> 	<ul style="list-style-type: none"> • Thickness: 1.5 mm to 6.0 mm • Smallest size: 1.2 m by 2.4 m • Largest size: 1.5 m by 3.0 m 	<p>304, 304L, 316 and 316L</p>
<p>Perforated sheets</p> 	<ul style="list-style-type: none"> • Thickness: 0.5 mm to 3.0 mm • Smallest size: 1.2 m by 2.4 m • Largest size: 1.5 m by 3.0 m • Hole size: 3.0 mm to 12.0 mm • Hole pitch: 5.0 mm to 15.0 mm 	<p>304, 304L, 316, 316L and 439</p>
<p>Shims</p> 	<ul style="list-style-type: none"> • Thickness: 0.025 mm to 1.0 mm • Width: 200 mm to 300 mm 	<p>304, 304L, 316 and 316L</p>

7. BUSINESS OVERVIEW (Cont'd)

7.5.3 Stainless steel long products


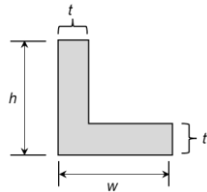

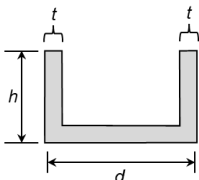
The following are the main types of stainless steel long products that we trade:

Stainless steel long products	Standard Dimensions	Stainless Steel Grades	
<p>Square bars</p> 	<ul style="list-style-type: none"> • Thickness and width: 3.0 mm to 76.0 mm • Length: 3.7 m or 6.0 m 	 <p><i>t</i> = Thickness. <i>w</i> = Width. <i>l</i> = Length.</p>	304 and 316L
<p>Flat bars</p> 	<ul style="list-style-type: none"> • Thickness: 3.0 mm to 50.0 mm • Width: 12.0 mm to 203.0 mm • Length: 6.0 m 	 <p><i>t</i> = Thickness. <i>w</i> = Width. <i>l</i> = Length.</p>	304 and 316L
<p>Round bars</p> 	<ul style="list-style-type: none"> • Diameter: 2.0 mm to 304.0 mm • Length: 2.5 m, 3.0 m, 3.6 m or 6.0 m 	 <p><i>d</i> = Diameter. <i>l</i> = Length.</p>	303, 304 and 316L
<p>Hexagon bars</p> 	<ul style="list-style-type: none"> • Across flats diameter: 5.0 mm to 100.0 mm • Length: 3.7 m or 6.0 m 	 <p><i>af</i> = Across flats diameter.</p>	304 and 316L

7. BUSINESS OVERVIEW (Cont'd)


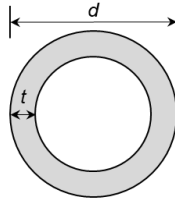
7.5.4 Stainless steel profiles

The following are the main types of stainless steel profiles that we trade:

Stainless steel profiles	Standard Dimensions	Stainless Steel Grades
<p>Angles</p> 	<ul style="list-style-type: none"> Thickness: 3.0 mm to 9.0 mm Width and height: 20.0 mm to 100.0 mm Length: 6.0 m  <p><i>t</i> = Thickness. <i>w</i> = Width. <i>h</i> = Height.</p>	304, 304L, 316 and 316L
<p>U-channels</p> 	<ul style="list-style-type: none"> Thickness: 4.0 mm to 10.0 mm Depth: 80.0 mm to 150.0 mm Flange height: 40.0 mm to 75.0 mm Length: 6.0 m  <p><i>t</i> = Thickness. <i>d</i> = Depth. <i>h</i> = Flange height.</p>	304, 304L, 316 and 316L

7.5.5 Stainless steel pipes

Most of the stainless steel pipes that we trade comply with the American Society for Testing and Materials (ASTM) A312 or A554 standards for stainless steel pipes. We usually trade based on our customer requirements. Apart for ASTM A312 or A554, we also trade based on other certifications as and when required by our customers. The following are the main types of stainless steel pipes that we trade:

Stainless steel pipes	Standard Dimensions	Stainless Steel Grades
<p>ASTM A312 Schedule 10 pipes</p> 	<ul style="list-style-type: none"> Wall thickness: 1.24 mm to 6.35 mm Outside diameter: 10.3 mm to 610.0 mm Length: 6.0 m  <p><i>t</i> = Wall thickness. <i>d</i> = Outside diameter.</p>	304, 304L, 316 and 316L
ASTM A312 Schedule 40 pipes	<ul style="list-style-type: none"> Wall thickness: 1.73 mm to 9.52 mm Outside diameter: 10.3 mm to 323.9 mm Length: 6.0 m 	304, 304L, 316 and 316L
ASTM A312 Schedule 80 pipes	<ul style="list-style-type: none"> Wall thickness: 2.41 mm to 12.70 mm Outside diameter: 10.3 mm to 323.9 mm Length: 6.0 m 	304, 304L, 316 and 316L
ASTM A554 round pipes	<ul style="list-style-type: none"> Wall thickness: 0.8 mm to 2.0 mm Outside diameter: 9.5 mm to 101.6 mm Length: 4.8 m to 6.1 m 	201, 304, 304L, 316 and 316L

The stainless steel pipes that we trade are sourced from third-party manufacturers and suppliers, and are not manufactured by us.

7. BUSINESS OVERVIEW (Cont'd)

Trading of stainless steel pipes that comply with ASTM A554 standard and grades 304 and 316L accounted for approximately 50% to 60% of our revenue from trading of stainless steel pipes.

We sometimes receive orders for our manufactured stainless steel pipes where we do not have ready stocks to meet the customers' delivery schedule. In such a situation, we will purchase the required stainless steel pipes from third-party manufacturers and suppliers to complete the order promptly.

Our trading business also deals with lower grades and thus lower priced stainless steel pipes compared to our manufactured stainless steel pipes. We trade in grade 201 stainless steel pipes, as well as a range of other low grade stainless steel pipes. These low grade stainless steel pipes are not as resistant to corrosion compared to grades 304 or 316L.

Some of the stainless steel products we trade



Left: Plates; Middle: Bars; Right: Coils

7.5.6 Other metal products

Copper products

Copper is a metal characterised by very good heat and electrical conductivity, the best among commonly used metals. It is also easy to shape and draw into wires and is not brittle. Copper products have good corrosion resistance, as a film of copper oxide forms when it is exposed to air and subsequently protects the underlying metal from further corrosion.

The following are the main types of copper products that we trade:

Copper product	Standard Dimensions
Plates	<ul style="list-style-type: none"> • Thickness: 0.4 mm to 152.0 mm • Smallest size: 600 mm by 1,200 mm • Largest size: 1.2 m by 2.4 m
Pipes	<ul style="list-style-type: none"> • Wall thickness: 0.7 mm to 3.0 mm • Outside diameter: 6.0 mm to 101.6 mm • Length: 5.8 m or 6.0 m
Tube coils	<ul style="list-style-type: none"> • Wall thickness: 0.5 mm to 1.5 mm • Outside diameter: 4.0 mm to 15.9 mm • Length: 15.0 m
Square bars	<ul style="list-style-type: none"> • Thickness and width: 6.4 mm to 100.0 mm

7. BUSINESS OVERVIEW (Cont'd)

Copper product	Standard Dimensions
	<ul style="list-style-type: none"> Length: 3.7 m or 6.0 m
Flat bars	<ul style="list-style-type: none"> Thickness: 3.0 mm to 76.2 mm Width: 12.0 mm to 203.2 mm Length: 6.0 m
Round bars	<ul style="list-style-type: none"> Diameter: 5.0 mm to 152.0 mm Length: 2.5 m or 3.6 m

The copper products that we supply to our customers are commonly used to manufacture electrical components such as busbars, architectural trims and fittings, heat exchanger elements, and copper tubing in air conditioning systems.

In addition to copper products, other types of metal products that we supply include the following:

- aluminium plates, sheets, coils, pipes, square bars, flat bars, round bars, angles, and chequered plates. Aluminium is a metal that is characterised by good corrosion resistance, as well as very good heat and electrical conductivity (second only to copper among commonly used metals). Aluminium also exhibits good mechanical strength, has a relatively low density and is easy to draw into wires.
- brass plates, pipes, square bars, flat bars, round bars, hexagonal bars and shim. Brass is mainly an alloy of copper and zinc;
- bronze plates, pipes and round bars. Bronze is mainly an alloy of copper and tin;
- lead sheets. Lead is a metal characterised by high density, softness and low melting point; and
- carbon steel pipes, pipe fittings and flanges. Carbon steel is mainly an alloy of steel and carbon.

7.5.7 Hardware and others

We are involved in trading a range of industrial hardware and other products:

- expanded metal, which is made from carbon steel and mainly used as part of fences, grills, doors and other barriers;
- engineered plastics, such as polyvinyl chloride (PVC) curtains and sheets, nylon rods and sheets, and polyacetal rods and sheets;
- household and industrial cleaning chemicals;
- ironmongeries such as locksets, padlocks, handles, hinges, latches and their accessories;
- busbar supports, insulators and links;
- switchboard components, including locks, hinges and accessories;
- wire mesh and wires; and
- scrap metal generated from our trading, manufacturing and processing activities, mainly comprising off-cuts.

7.6 MANUFACTURING OF STAINLESS STEEL PIPES

We manufacture stainless steel pipes with various shapes, profiles, stainless steel grades and polished finishing. We manufacture ornamental pipes mainly according to the ASTM A554 standard, which are not intended for structural use or transportation of gases or liquids. As at the LPD, we do not manufacture other types of stainless steel pipes. However, only some of our manufactured ornamental pipes are certified as in compliance with ASTM A554 standard. The ASTM A554 standard covers welded stainless steel pipes for decorative applications where appearance and/or corrosion resistance are needed. The conditions that must be satisfied to comply with ASTM A554 include, among others, the following:


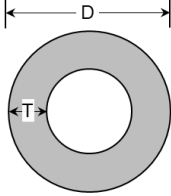

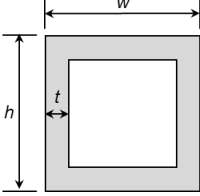

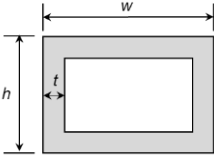

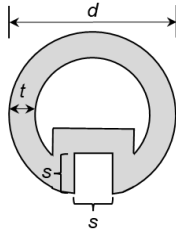
- the pipes are made from specified grades of stainless steel such as, among others, 304 and 316L;

7. BUSINESS OVERVIEW (Cont'd)





- wall thickness of at least 0.5 mm; and
- manufactured by roll forming and automatic welding without filler material.

Certified compliance with the ASTM A554 provides customers with assurance that the manufactured stainless steel pipes satisfy the conditions described above. We mainly manufacture stainless steel pipes using 304 and some 316L stainless steel.

The main types of stainless steel pipes that we manufacture are as follows:

Types of stainless steel pipes manufactured	Standard Dimensions	Stainless Steel Grades	Surface Finishing
 Round	<ul style="list-style-type: none"> • Wall thickness: 0.6 mm to 6.0 mm • Outside diameter: 9.5 mm to 200.0 mm • Length: 6.0 m or 6.1 m  <p>T = Wall thickness. D = Outside diameter.</p>	304, 316L and 439	180, 240, 320, 400, 600 and 800 grit
 Square	<ul style="list-style-type: none"> • Wall thickness: 0.8 mm to 6.0 mm • Outside height and width: 12.0 mm to 150.0 mm • Length: 6.0 m or 6.1 m  <p>t = Wall thickness. h = Outside height. w = Outside width.</p>	304, 316L and 439	180, 240, 320, 400, 600 and 800 grit
 Rectangular	<ul style="list-style-type: none"> • Wall thickness: 0.8 mm to 6.0 mm • Outside height: 6.0 mm to 100.0 mm • Outside width: 19.5 mm to 200.0 mm • Length: 6.0 m or 6.1 m  <p>t = Wall thickness. h = Outside height. w = Outside width.</p>	304, 316L and 439	180, 240, 320, 400, 600 and 800 grit
 Round hollow slotted	<ul style="list-style-type: none"> • Wall thickness: 1.0 mm, 1.2 mm and 1.5 mm • Outside diameter: 50.8 mm • Slot size: 20.0 mm by 20.0 mm • Length: 6.0 m  <p>t = Wall thickness. d = Outside diameter. s = Slot size.</p>	304	180, 240, 320, 400, 600 and 800 grit

7. BUSINESS OVERVIEW (Cont'd)

Types of stainless steel pipes manufactured	Standard Dimensions	Stainless Steel Grades	Surface Finishing
<p>Square hollow slotted</p> 	<ul style="list-style-type: none"> Wall thickness: 1.0 mm, 1.2 mm and 1.5 mm Outside height and width: 50 mm Slot size: 19 mm by 19 mm Length: 6.0 m 	304	180, 240, 320, 400, 600 and 800 grit
<p>Rectangular hollow slotted</p> 	<ul style="list-style-type: none"> Wall thickness: 1.0 mm, 1.2 mm and 1.5 mm Outside width: 50 mm Outside length: 25 mm Slot size: 19 mm by 19 mm Length: 6.0 m 	304	180, 240, 320, 400, 600 and 800 grit
<p>Square hollow double slotted</p> 	<ul style="list-style-type: none"> Wall thickness: 1.0 mm, 1.2 mm and 1.5 mm Outside height and width: 50 mm Slot size: 19 mm by 19 mm for each slot Length: 6.0 m 	304	180, 240, 320, 400, 600 and 800 grit
<p>Embossed (twisted pattern)</p> 	<ul style="list-style-type: none"> Wall thickness: 0.8 mm to 1.5 mm Outside diameter: 12.7 mm to 50.8 mm Length: 6.0 m and 6.1 m 	304 and 439	180, 240, 320, 400, 600 and 800 grit

We have received Product Certification Licence from SIRIM QAS International Sdn Bhd (SIRIM) certifying that the following stainless steel pipes that we manufacture comply with the ASTM A554 standard:

7. BUSINESS OVERVIEW (Cont'd)

Stainless Steel Pipes	Size	Stainless Steel Grades	First Certified by SIRIM complying with ASTM A554	Current Validity Period
Round	<ul style="list-style-type: none"> • Wall thickness: 1.2 mm to 3.0 mm • Outside diameter: 9.5 mm to 203.2 mm • Length: Up to 6.1 m 	304	20 December 2019	22 November 2022 to 20 December 2024
Round	<ul style="list-style-type: none"> • Wall thickness: 1.2 mm • Outside diameter: 38.1 mm and 50.8 mm • Length: Up to 6.1 m 	316L	20 December 2019	22 November 2022 to 20 December 2024
Square	<ul style="list-style-type: none"> • Wall thickness: 1.2 mm to 3.0 mm • Outside height and width: 12.7 mm to 150.0 mm • Length: Up to 6.1 m 	304	20 December 2019	22 November 2022 to 20 December 2024
Square	<ul style="list-style-type: none"> • Wall thickness: 1.5 mm • Outside height and width: Up to 40.0 mm • Length: Up to 6.1 m 	316L	20 December 2019	22 November 2022 to 20 December 2024
Rectangular	<ul style="list-style-type: none"> • Wall thickness: 1.0 mm to 3.0 mm • Outside height: 6.4 mm to 150.0 mm • Outside width: 25.4 mm to 100.0 mm • Length: Up to 6.1 m • Specification: ASTM A554 	304	20 December 2019	22 November 2022 to 20 December 2024
Rectangular	<ul style="list-style-type: none"> • Wall thickness: 2.5 mm • Outside height: 50.0 mm • Outside width: 100.0 mm • Length: Up to 6.1 m 	316L	20 December 2019	22 November 2022 to 20 December 2024

The Product Certification Licence for the products listed above are only applicable to the ornamental stainless steel pipes that we manufacture in-house.

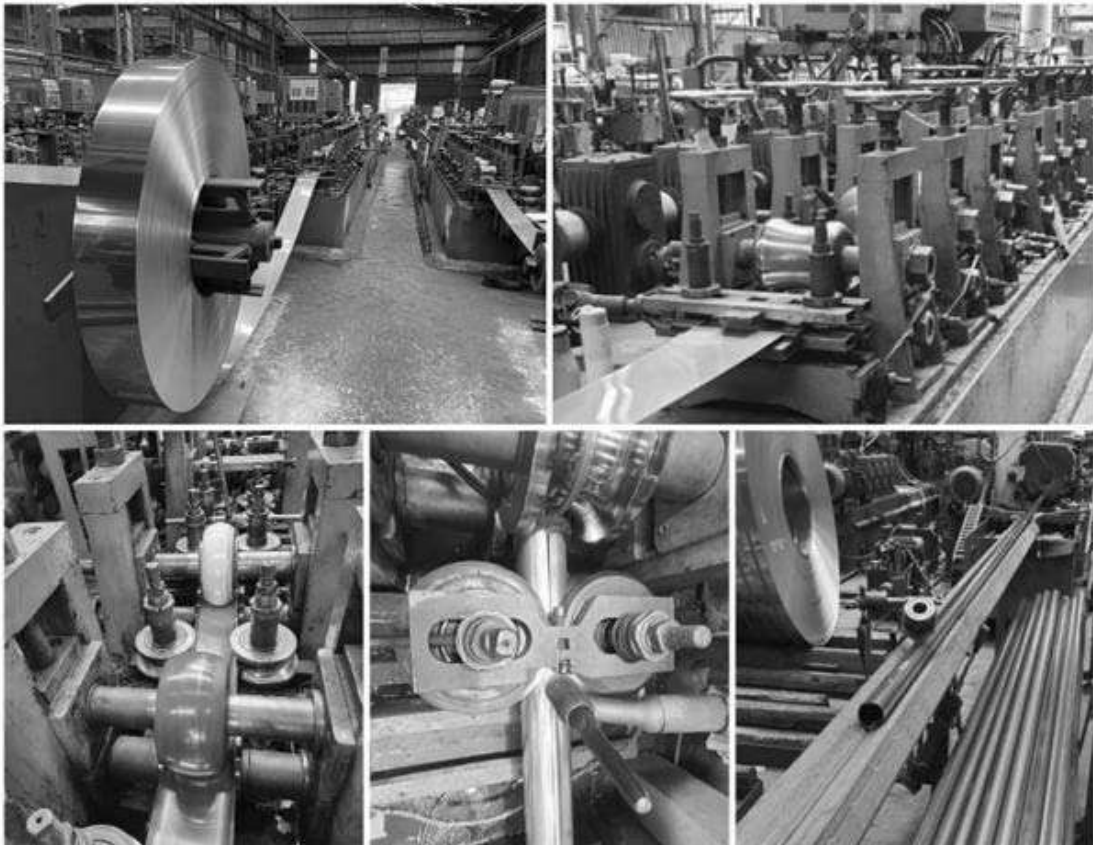
We operate in-house polishing lines for various types of finishes. The stainless steel pipes are polished with a specified fine abrasive material to remove dirt, fine pits and surface imperfections to achieve the desired appearance. Polishing can also improve the corrosion resistance of the pipes.

The polished surface finishing of stainless steel pipes is described by a grit number, such as “180 grit” or “800 grit”. The grit number refers to the number of grit lines per inch of abrasive, and typically the smoothness and reflectiveness of the surface finish increase with a higher grit number. Polished surface finishes with grit number 600 and above are reflective with good image quality. The stainless steel pipes that we manufacture are available in the following polished surface finishing:

7. BUSINESS OVERVIEW (Cont'd)

Grit number	Description
180 grit	<ul style="list-style-type: none"> • Ground finish. • The surface appears to be textured with lines running in one direction. • Not reflective.
240 grit	<ul style="list-style-type: none"> • Brush finish. • The surface appears to be textured with fine lines running in one direction. • Not reflective.
320 grit	<ul style="list-style-type: none"> • Dull finish. • The surface appears to be textured with fine lines running in one direction. • Not reflective.
400 grit	<ul style="list-style-type: none"> • Satin finish. • Non-textured surface. • Reflective, but the image is not clear.
600 grit	<ul style="list-style-type: none"> • Bright polish. • Non-textured surface. • Reflective with good image clarity.
800 grit	<ul style="list-style-type: none"> • Mirror finish. • Non-textured surface. • Very reflective with mirror-like image clarity.

Our in-house pipe manufacturing



7. BUSINESS OVERVIEW (Cont'd)

The stainless steel pipes that we manufacture are used in a range of applications, including the following:

Application	Examples
Architectural	<ul style="list-style-type: none"> Elements of doors, gates, windows, grilles, fences, handrails and balustrades. Round, square and rectangular hollow slotted, and square hollow double slotted pipes are used as frames for windows, doors and bannisters.
Automotive	<ul style="list-style-type: none"> Fittings for cars, trucks, motorcycles and other motor vehicles, such as bumpers, grille guards, bull bars and light guards. Exhaust pipes.
Furniture and fittings	<ul style="list-style-type: none"> Household furniture such as chairs, tables, cabinets, racks and display cases. Frames for household kitchen cabinet and wardrobe. Frames for commercial kitchen cabinets, counters and tables, and for retail and food service outlets. Clothes drying rails. Office and retail furniture such as display stands, cases and racks. Washroom fittings such as towel rails, clothing racks and handrails.
Others	<ul style="list-style-type: none"> Frames for supermarket and other trolleys.

We market most of our manufactured stainless steel pipes under our "TSS" brand. The revenue segmentation of our manufactured stainless steel pipes by brand is as follows:

Manufactured stainless steel pipes	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Our in-house brand ⁽¹⁾	58,502	24.9	76,710	25.3	105,093	29.4	61,353	27.8
Third-party customers' brands	2,194	0.9	5,769	1.9	2,189	0.6	1,758	0.8
Not branded	3,765	1.7	4,197	1.4	4,294	1.2	3,020	1.4
Segment total	64,461	27.5	86,676	28.6	111,576	31.2	66,131	30.0

* Percentage of total revenue;

Note:

(1) Our in-house brand is "TSS".

7.7 PROCESSING OF STAINLESS STEEL PRODUCTS

We also process purchased stainless steel bars, plates and sheets to the desired specifications of our customers. Our processing of stainless steel products comprises the following:

- Slitting of bars: We slit stainless steel bars into the desired width for our customers. Our slitting process is done in-house.
- Polishing of plates and sheets: We polish stainless steel plates and sheets to 600 grit (bright polish) or 800 grit (mirror finish). Our polishing is done in-house. We can also provide hairline finish to plates and sheets, which is outsourced.
- Perforating plates and sheets: One or more holes of specific size and shape are punched at specific locations of a stainless steel plate or sheet, based on customers' specifications. We mainly outsource the perforation process by sending our stainless steel plates and sheets to a third-party service provider.

Processing is a value-added activity based on customers' requirements as and when required. In addition, some of the commonly purchased types of polished, slitted and perforated stainless steel products are processed to keep as inventories.

7. BUSINESS OVERVIEW (Cont'd)

Our machinery used for processing



Left: A cutting machine; Right: A punching machine

7.8 OPERATIONAL FACILITIES

The location of our operational facilities is as follows:

Subsidiary	Main Functions	Approximate Built-up Area (sq. ft)	Ownership	Address
TSA Industries	Group head office, warehouse, manufacturing and processing	147,072	Owned	Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan
	Sales office with warehouse	5,890	Rented	No 23, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan
	Sales office with warehouse	5,200	Rented	2410, Jalan Perusahaan, Kawasan Perusahaan Perai, 13600 Perai, Pulau Penang
	Sales office with warehouse	12,580	Rented	PT 232041, Jalan Zarib 9, Kawasan Perindustrian Zarib, 31500 Lahat, Perak
	Sales office with warehouse	4,006	Rented	No 2, Jalan TJ 1/4, Kawasan Perindustrian Tuanku Jaafar, 71450 Seremban, Negeri Sembilan
	Sales office with warehouse	12,792	Rented	No. 22 & 24, Jalan Gemilang 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim
	Sales office with warehouse	4,069	Rented	CL 015028430, Building No. 125G, Block E1, Jalan Tuaran By-Pass, 88450 Kota Kinabalu, Sabah
	Sales office with warehouse	9,849	Rented	Lot 3695A, Block 6, KBLD, Permyjaya Technology Park, Bandar Baru Permyjaya, 98000 Miri, Sarawak

7. BUSINESS OVERVIEW (Cont'd)

Subsidiary	Main Functions	Approximate Built-up Area (sq. ft)	Ownership	Address
TSA Singapore	Sales office with warehouse	15,272	Rented	TimMac @ Kranji, Unit #03-10, Kranji Loop, Singapore 739570

7.9 KEY MACHINERY AND EQUIPMENT

As at 31 August 2023, the major machinery and equipment used for our operations include the following:

Main machinery and equipment	Brief description	Estimated useful life (years)	Average age (years)	Number of units	NBV as at FPE 2023 (RM)
Pipe manufacturing lines					
Pipe forming ⁽¹⁾	Includes cutting, tubing, and polishing machines	30	16	23	3
Welding ⁽¹⁾	Used to weld the gap between the pipes after forming	30	16	23	2
Straightening ⁽²⁾	Used to straighten the pipes after the welding process	30	16	23	2
Machine for processing operations					
Bending	Used to bend sheets or plates to form shapes	25	9	2	121,564
Punching	Used to punch required shapes on the metal products	25	11	2	188,230
Machine and equipment for both operations					
Shearing ⁽³⁾	Used to shear metal coils into the required length	30	12	5	74,565
Slitting ⁽⁴⁾	Used to slit metal coils into the required width	30	13	1	1
Cutting ⁽⁵⁾	Used to cut the metal products into the required length	25	20	11	11
Polishing	Used to polish metal products	30	7	18	731,033
Testing ⁽⁶⁾	Includes testing equipment for thickness and flatness	15	7	3	3
Total					1,115,414

Notes:

- (1) As part of the transfer of its pipe manufacturing business to TSA Industries, TSA Pipes transferred 23 units of pipe forming machines and 23 units of pipe welding machines to TSA Industries for RM3.00 and RM2.00 respectively in December 2016.
- (2) All 23 units of straightening machines have been fully depreciated as at 31 August 2023.
- (3) 4 units of shearing machines have been fully depreciated as at 31 August 2023.
- (4) The slitting machine has been fully depreciated as at 31 August 2023.
- (5) All 11 units of cutting machines have been fully depreciated as at 31 August 2023.
- (6) All 3 units of testing equipment have been fully depreciated as at 31 August 2023.

7. BUSINESS OVERVIEW (Cont'd)

7.10 PRODUCTION CAPACITY, OUTPUT AND UTILISATION

7.10.1 Trading of stainless steel and other metal products, and hardware and other products

Measures of capacity and utilisation do not apply to our trading as goods purchased are stored and subsequently sold and delivered or picked up by customers. Similarly, measures of capacity and utilisation for our processing do not apply as the activities such as slitting and polishing are ad hoc and not based on mass production.

7.10.2 Manufacturing of stainless steel pipes

We manufacture stainless steel pipes in-house at our main operational facility in Balakong, Selangor. The methodologies used to calculate the capacity, annual capacity and utilisation rates are as follows:

- annual capacity is calculated based on estimated production rate of approximately 1,166.1 kg per hour, 22 hours per day (two shifts of 11 hours per shift) from Monday to Saturday ("normal operating hours and days"), for 52 weeks per year less 11 gazetted public holidays per year as required under the relevant laws for FYE 2020, FYE 2021 and FYE 2022;
- capacity for FPE 2023 is calculated based on estimated production rate of approximately 1,166.1 kg per hour during normal operating hours and days for 34 weeks, less 8 gazetted public holidays that fell between 1 January 2023 and 31 August 2023 as required under the relevant laws;
- actual output is the quantity of stainless steel pipes that we manufacture during the respective financial years or financial period; and
- utilisation rate is calculated by dividing the actual output by the annual capacity.

	Annual Capacity (tonnes)	Actual Output (tonnes)	Utilisation Rate (%)
FYE 2020	7,722	4,966	64
FYE 2021	7,722	5,622	73
FYE 2022	7,722	5,975	77
FPE 2023	5,028 ⁽¹⁾	4,036	80

Note:

(1) The capacity for FPE 2023 is calculated over a period of 8 months.

Our utilisation rates for the manufacturing of stainless steel pipes were 64%, 73%, 77% and 80% respectively for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023.

7.11 PROCESS FLOW

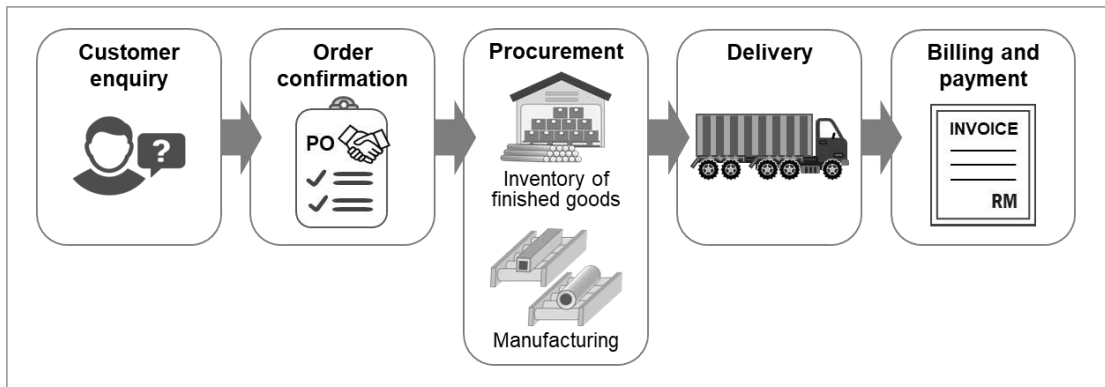
7.11.1 Trading

As at the LPD, we trade the following categories of products:

- stainless steel products, which include a wide range of different stainless steel grades, shapes and dimensions;
- other metal products, which include products made of copper, aluminium, brass, bronze and carbon steel; and
- hardware and other products, which include expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components.

7. BUSINESS OVERVIEW (Cont'd)

The following diagram depicts our operational process for our trading:



- **Customer enquiry**

Our trading business process begins with customers enquiring availability of stock by contacting our sales and marketing team or walk-in customers to our sales office. The customers would usually specify the type of product, as well as the standard dimensions and grades (where applicable) that they intend to purchase.

For items that are not available in stock, our procurement team would engage with our list of approved vendors for quotes of the requested item.

- **Order confirmation**

Upon confirmation of the availability of stocks and prices, the customers will issue purchase orders for us to fulfil. The quantity and price of the products, as well as the delivery destinations, schedules and other terms are determined at this stage.

- **Procurement**

Once we secure the purchase order, we will begin our procurement process by ascertaining if the required products are in stock, manufactured or processed in-house or to be secured from third-party suppliers.

We have one main warehouse and seven sales offices with warehouses located across Malaysia, and one branch with warehouse in Singapore. Our main warehouses in Malaysia would have a more comprehensive stock of products, while our other warehouses will keep a minimum level of stocks as base stocks. Our inventory levels are monitored continuously using our enterprise resource planning (ERP) system. Generally, the inventory level for each product is maintained based on our history of sales records. On average, we will replenish the products once every one to two months depending on the warehouse location and purchase orders received from our customers.

Our in-house manufactured and processed products are based on our machine capabilities and capacity. Please refer to Sections 7.11.2 and 7.11.3 of this Prospectus for details of the process flow of our manufacturing and processing activities.

7. BUSINESS OVERVIEW (Cont'd)

TSA Industries sourced products from third-party suppliers in Malaysia and other countries, and TSA Singapore sourced products from TSA Industries, as well as from third-party suppliers in Singapore and other countries. The products sourced by TSA Singapore from TSA Industries included stainless steel, copper, aluminium and other metal products, hardware and others. TSA Industries also supply ornamental stainless steel pipes manufactured in-house to TSA Singapore. When our warehouses in Malaysia and Singapore receive products from their respective suppliers, we will carry out a visual inspection to record the grade, specifications, dimension, weight and quantity of the products to ensure the goods received are equivalent to the delivery order from the supplier. The products received are then entered into our ERP system.

In some situations, we may need to cut the products to the desired length to meet customers' purchase orders as our purchases are commonly in standard dimensions.

- **Delivery**

When it is time to make deliveries, our ERP will generate a picking order where the desired products are inspected, weight and packed. The typical timeframe between receiving a purchase order and packing the products for delivery is summarised in the following table:

	Products not in stock when the purchase order is received		
	Products in stock at our warehouse	Products ordered from local supplier	Products ordered from supplier in other countries
Typical timeframe	Within 2 days	Within 3 days	Within 1 to 2 months

Subsequently, a delivery summary order is generated from our ERP system for the outgoing products.

TSA Industries and TSA Singapore use in-house and external logistics services to deliver products to customers in Malaysia and Singapore, respectively, and external logistics services to deliver products to customers in other countries. Upon receipt of goods, the customer is required to sign and stamp the delivery order as proof of delivery. The signed delivery order is returned to us for documentation and record-keeping.

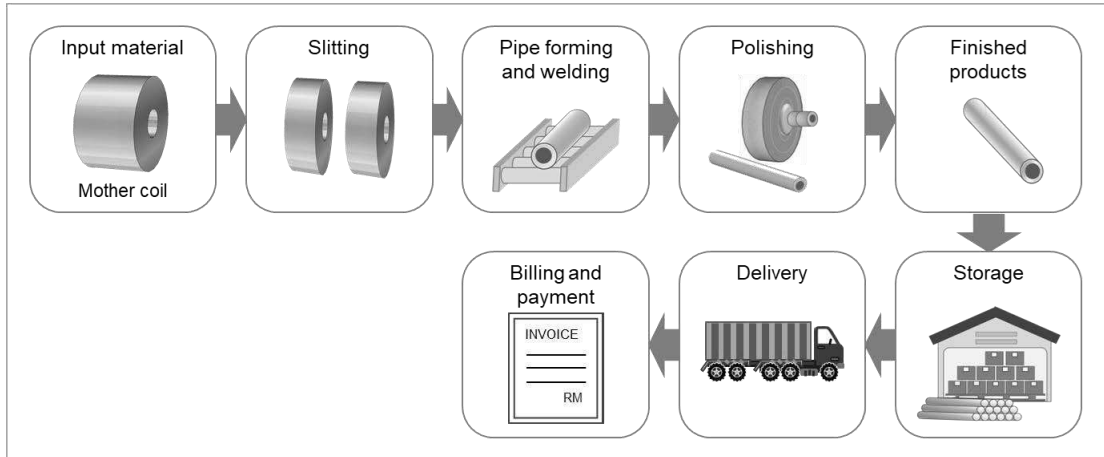
- **Billing and payment**

Our accounts department will then prepare the sales invoice matched against the signed and stamped delivery order, and subsequently send the sales invoice out to the customer. The accounts department will record all payments received in our computer system, as well as keep relevant documents for documentation and record-keeping purposes.

7. BUSINESS OVERVIEW (Cont'd)

7.11.2 Manufacturing of stainless steel pipes

We manufacture different stainless steel grades, shapes and dimensions of stainless steel welded pipes. Our manufacturing process flow is as follows:



- **Input material**

Our input material is mother coils, which are long sheets of stainless steel rolled around a core. Mother coils come in various thicknesses, widths and stainless steel grades. Depending on the size of the pipes that we wish to manufacture, the appropriate width mother coil is selected for slitting to reduce off-cuts. Off-cuts are sold as scrap.

We purchase mother coils domestically as well as directly from foreign suppliers. Some of our domestically sourced mother coils are also from foreign countries.

- **Slitting**

The mother coils are first slitted into baby coils, based on the required size (outside diameter) of the pipes to be manufactured. The baby coils are loaded to the decoiler to unwind the coils for the pipe forming processes.

Slitting of mother coil



Decoiling the baby coil



7. BUSINESS OVERVIEW (Cont'd)

- **Pipe forming and welding**

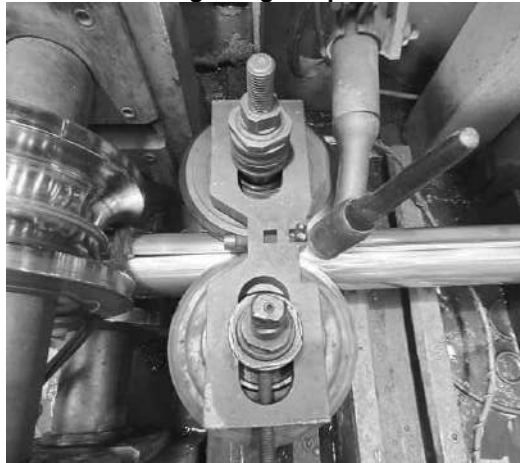
The strips are fed through our pipe forming machine which includes a series of forming and sizing rollers, which then form the pipes into the required size before it is automatically welded in the same line, forming a tubular section.

Forming process for a tubular section



The tubular section is welded through the tungsten inert gas (TIG) process, which is a welding process that welds the seams or edges using a non-consumable tungsten electrode and an inert gas in the welding arc to create high-quality welds.

Welding using TIG process



Water-cooling process

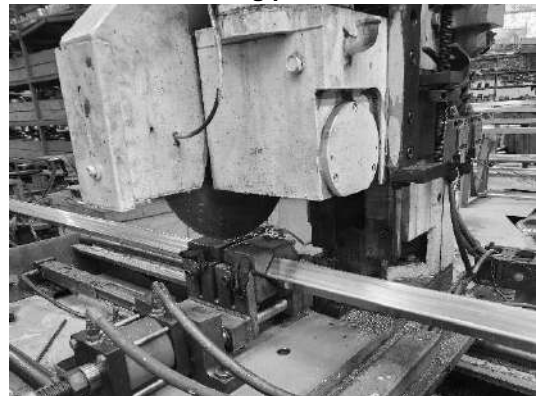


The welded pipes then go through a water-cooling process to cool the pipe before the grinding process to grind off the weld bead along the pipe for a smooth surface. The weld bead is a metal deposit left behind on the welded seam as part of the welding process.

Next, the welded pipes are put through our in-line straightening machine with a set of rollers to straighten the pipe.

The welded pipes are then cut into specified lengths through our in-line auto-cutting machine. All cut pipes are placed in a collection tray for visual inspection before they are sent for polishing. Defective pipes would either be sent for rework, such as grinding and deburring to remove any raised or ragged edges. If a pipe cannot be reworked it is sold as scrap.

Cutting process



7. BUSINESS OVERVIEW (Cont'd)

- **Surface polishing**

Surface polishing involves polishing the pipes with specified fine abrasive materials to remove grinding marks, fine pits and surface imperfections to obtain the desired polished finishing effect. We polish stainless steel pipes to ground, brush, dull, satin, bright polish or mirror finish. Polishing also improves corrosion resistance.

Some examples of our polished stainless steel pipes



Left: 180 grit (ground finish); Middle: 320 grit (dull finish); Right: 600 grit (bright polish)

Inspections of the finished products are carried out after the polishing process.

- **Storage, delivery, billing and payment**

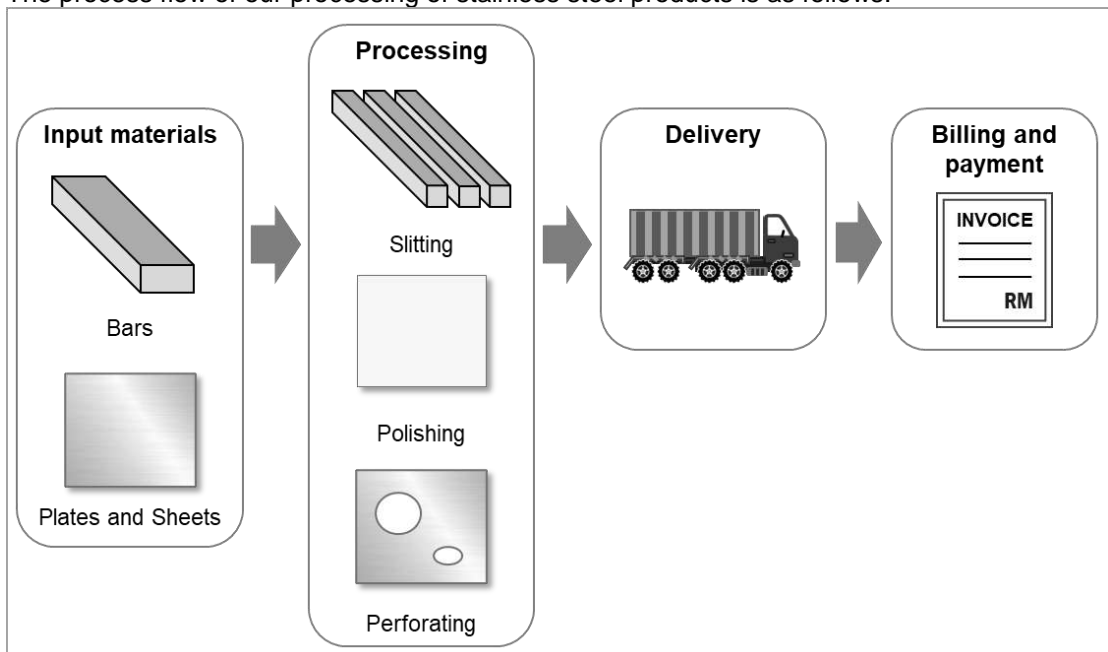
After the inspection of the finished products, they are then packed for storage. Some of them are delivered to our customers or our branches in Malaysia and Singapore, and the remaining are kept as stock in our main warehouse in Balakong, Selangor.

A final inspection would be conducted before manufactured stainless steel pipes are delivered to customers to ensure the packaging is done properly, and invoices are sent out to customers accordingly.

7.11.3 Processing of stainless steel products

We also process purchased stainless steel bars, plates and sheets to the desired specifications for our customers.

The process flow of our processing of stainless steel products is as follows:



7. BUSINESS OVERVIEW (Cont'd)

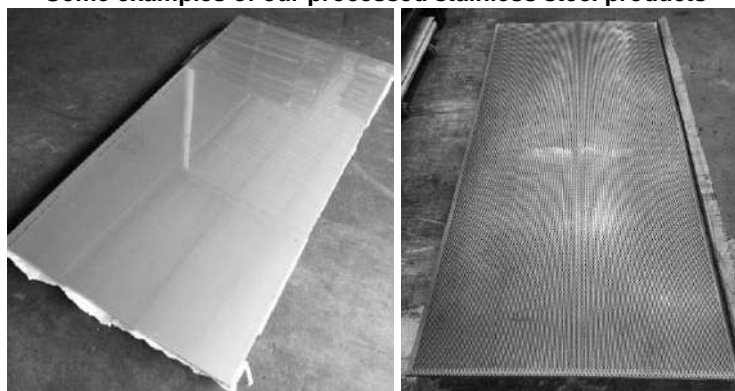
The processing of stainless steel products begins with input materials in the form of bars, plates and sheets sourced from local and overseas. Upon request from customers, we will process the stainless steel products according to the customers' specifications and dimensions. Our in-house processing capabilities include:

Products	Processing carried out
Bars (flat)	<ul style="list-style-type: none"> • Slitting to the desired width • Polishing to the desired surface finish, i.e., hairline finish (240 grit)
Plates and sheets	<ul style="list-style-type: none"> • Polishing to the desired surface finish, i.e., satin and hairline finish (320 and 240 grit) • Perforating to cut one or more holes of specific size, shape and pattern

We use our in-house capability to slit stainless steel bars and polish plates and sheets. We outsource the perforation of plates and sheets to third-party service providers.

Inspections of the stainless steel products are carried out after processing. After the inspection, the stainless steel products are then packed for delivery to customers. A final inspection would be conducted before delivery to ensure the packaging is done properly, and the sales invoice would be sent out to the customers accordingly.

Some examples of our processed stainless steel products



Left: Polished plate; Right: Perforated sheet

7.12 RESEARCH AND DEVELOPMENT

For the past three financial years and up to the LPD, we have not undertaken any research and development activity as it is not relevant to our business.

7.13 TECHNOLOGY USED

We do not use any specialised technology for our trading, manufacturing of stainless steel pipes and polishing of stainless steel products business activities.

7.14 SEASONALITY

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

7.15 MATERIAL INTERRUPTIONS TO OUR BUSINESS

We did not experience any material interruptions to our business during the past 12 months up to the LPD, except for those related to COVID-19 which occurred during the Financial Years and Period Under Review as disclosed below.

7. BUSINESS OVERVIEW (Cont'd)

7.15.1 Effects of COVID-19 on our business operations in Malaysia

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

The first phase of the Movement Control Order (“MCO”) was implemented from 18 March 2020 to 3 May 2020, and the control measures implemented included, among others, the closure of all businesses except for those classified as essential services or that have received written approval to operate from the MITI.

We closed our operational facilities on 18 March 2020 pursuant to the first MCO. Our staff who performed executive, administrative and sales and marketing functions worked from home, whenever possible, while our trading operations at our warehouses and stainless steel pipe manufacturing and processing of stainless steel activities at our main operational facility were temporarily halted. We resumed operations on 16 April 2020 following the relevant SOP and guidelines pursuant to the written acknowledgement from MITI dated 16 April 2020.

From 18 March 2020 to June 2021, the MCO was implemented in various phases in Malaysia, including CMCO, RMCO, FMCO and EMCO where restrictions were relaxed or tightened for specific states, districts and/or locations, based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government of Malaysia announced the NRP, a phased exit strategy from the COVID-19 pandemic consisting of four phases where restrictions were gradually eased in each phase.

Subsequently, on 1 April 2022, the Government of Malaysia announced that Malaysia was in the “Transition to Endemic” phase where all economic sectors are allowed to operate, and interstate and international travel are allowed, subject to adherence to the relevant SOP and guidelines.

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

7.15.2 Effects of COVID-19 on our business operations in Singapore

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

TSA Singapore’s operations were classified under the essential sector, and consequently, we were allowed to continue our business operations during the circuit breaker lockdown period. Our executive, sales and marketing and administrative staff in Singapore worked from home, where possible, and there was minimal disruption to these functions. Our warehouse personnel continued to work at our Singapore branch while following the relevant guidelines and SOP, and there were minimal disruptions to our trading business in Singapore. Consequently, our trading business operations in Singapore were not materially disrupted and we were able to fulfil our customers’ orders without material delay. Nonetheless, COVID-19 has impacted our customers and thus our financial performance. Our Singapore operations were operating at reduced workforce capacity of 50% between 10 April 2020 and 5 May 2020.

7. BUSINESS OVERVIEW (Cont'd)

7.15.3 Effects on our supply chain

We manage our supply chain to ensure that we will have sufficient stocks of input materials to meet our manufacturing and processing schedules, as well as sufficient finished products for our trading operation to fulfil our delivery obligations as per our purchase orders.

From 18 March 2020 up to the LPD, we did not face any material disruptions to our supply chain that were related to COVID-19 due to our inventory forecasting and planning. In addition, our inventory levels were sufficient for normal trading, manufacturing and processing operations and able to meet all customers' orders without undue delays. As at the LPD, we have not experienced any material disruptions in fulfilling our orders.

7.15.4 Effects on our business operations and financial performance

In FYE 2020, our business operations were affected by, among others, measures taken to control the spread of COVID-19 pandemic, mainly contributed by the temporary closure of our operational facilities in Malaysia between 18 March 2020 and 16 April 2020 pursuant to the first MCO. As a result of the temporary closure, our Malaysia operations had lower revenue in the second quarter of FYE 2020. In addition, while TSA Singapore continued to operate during the circuit breaker lockdown period (from 7 April 2020 to 1 June 2020) as it was classified under the essential sector, however its revenue for the second quarter of FYE 2020 was lower compared to the first quarter of FYE 2020 as some of its customers were required to temporarily suspend or slow down their operations. Our Group's revenue decreased by RM20.6 million, or 35.6% to RM37.3 million for the second quarter of FYE 2020 (first quarter of FYE 2020: RM 57.9 million).

Generally, the COVID-19 pandemic did not materially affect our total revenue in FYE 2021 or FYE 2022 and this was supported by the fact that our total revenue for FYE 2021 increased by 29.0% compared to FYE 2020, while our total revenue for FYE 2022 increased by 18.0% compared to FYE 2021. In addition, the COVID-19 pandemic did not materially affect our total revenue in FPE 2023.

7.16 MARKETING ACTIVITIES

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

Market positioning

- Position our Group as a supplier of stainless steel rolled products such as plates, bars and coils, and finished products such as pipes of various profiles and stainless steel grades. These are complemented by other metal products such as copper, aluminium, brass and bronze to provide convenience to our customers.
- Position our Group's manufactured stainless steel pipes as products of choice through our "TSS" brand.
- Position our Group as a manufacturer of stainless steel pipes covering a range of common sizes, stainless steel grades and profiles. With in-house manufacturing capabilities, we can customise our manufactured pipes to meet specific customer requirements.
- Position our Group to be able to promptly delivered products to our customers' destinations based on our warehouses in Selangor, Penang, Perak, Negeri Sembilan, Johor, Sabah, Sarawak and Singapore. We offer shorter lead times for commonly ordered products to customers located close to our warehouses.

7. BUSINESS OVERVIEW (Cont'd)**Marketing activities**

- Maintain good working relationships with customers by providing a high level of customer service and ensuring that their orders are fulfilled promptly and accurately to meet their expectations.
- Proactively contact and conduct sales meetings with prospective customers to understand their requirements and to secure sales.
- Follow-up on customer referrals provided by existing customers, suppliers and other contacts.

As at the LPD, our sales and marketing team is headed by our Executive Director, Ng Kim Liang, and we have a total of 75 dedicated sales personnel who are responsible for our Group's sales and marketing activities. Our sales personnel are based at our main operational facility and branches in Malaysia and Singapore to market our products and serve our customers in their respective areas:

Location	Main Market Coverage Areas	Number of Sales Personnel as at the LPD
Main operational facility in Balakong, Selangor	Selangor, Kuala Lumpur and east coast of Peninsular Malaysia, and other countries	35
Penang branch	Penang, Kedah and Perlis	8
Ipoh branch	Perak	5
Seremban branch	Negeri Sembilan, Melaka	5
Johor Bahru branch	Johor	8
Kota Kinabalu branch	Sabah	4
Miri branch	Sarawak	5
Singapore branch	Singapore and Batam, Indonesia	5

During the Financial Years and Period Under Review and up to the LPD, we have not participated in any local or overseas exhibitions, conferences or other networking and marketing events.

7. BUSINESS OVERVIEW (Cont'd)**7.17 MAJOR CUSTOMERS****7.17.1 Top 5 Customers for FYE 2020**

Our top 5 customers for FYE 2020 are listed in the following table:

	Customer	Type of Customer	Country	Main Types of Services	Amount (RM'000)	Proportion of Group Revenue (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Customer A ⁽²⁾	Importer	Thailand	Stainless steel pipes	19,747	8.4	4
2	Customer B ⁽³⁾	Manufacturer	Malaysia	Stainless steel products	2,637	1.1	9
3	Karnaphuli Shoes Ind. Ltd.	Manufacturer	Bangladesh	Stainless steel, other metal products, and hardware	2,380	1.0	2
4	Youngone Garment Accessories Ind. Ltd	Manufacturer	Bangladesh	Stainless steel, other metal products, and hardware	2,040	0.9	2
5	Viginee Traders	Wholesaler / Retailer	Sri Lanka	Stainless steel pipes	2,005	0.9	8
	Sub-total Top 5				28,809	12.3	
	Total Revenue				234,628		

Notes:

(1) Length of the relationship as at the FYE 2020.

(2) Customer A is a private company involved in importing and sale of stainless steel and polyester with operations in Thailand. Customer A has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer A has requested for its information to be kept private and confidential.

(3) Customer B is involved in design, development or manufacture of assembly of various electronic equipment and accessories, and related products and services with operations in Penang, Malaysia. Customer B is a subsidiary of a holding company with headquarters in Arizona, United States and it is listed on the New York Stock Exchange. Customer B has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer B has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)**7.17.2 Top 5 Customers for FYE 2021**

Our top 5 customers for FYE 2021 are listed in the following table:

	Customer	Type of Customer	Country	Main Types of Products and Services	Amount (RM'000)	Proportion of Group Revenue (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Customer A ⁽²⁾	Importer	Thailand	Stainless steel pipes	17,830	5.9	5
2	Customer B ⁽³⁾	Manufacturer	Malaysia	Stainless steel products	6,995	2.3	10
3	Customer C ⁽⁴⁾	Manufacturer	Malaysia	Stainless steel products	3,094	1.0	12
4	Customer D ⁽⁵⁾	Wholesaler / Retailer	Thailand	Stainless steel pipes	2,810	0.9	1
5	Karnaphuli Shoes Ind. Ltd.	Manufacturer	Bangladesh	Stainless steel, other metal products, and hardware	2,613	0.9	3
Total Top 5					33,342	11.0	
Total Revenue					302,693		

Notes:

(1) Length of the relationship as at the FYE 2021.

(2) Customer A is a private company involved in importing and sale of stainless steel and polyester with operations in Thailand. Customer A has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer A has requested for its information to be kept private and confidential.

(3) Customer B is involved in design, development or manufacture of assembly of various electronic equipment and accessories, and related products and services with operations in Penang, Malaysia. Customer B is a subsidiary of a holding company with headquarters in Arizona, United States and it is listed on the New York Stock Exchange. Customer B has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer B has requested for its information to be kept private and confidential.

(4) Customer C is a manufacturer of ventilation and air conditioning components with operations in Negeri Sembilan, Malaysia. Customer C is a subsidiary of a private German based company with headquarters in Germany. Customer C has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer C has requested for its information to be kept private and confidential.

(5) Customer D is a private company involved in hardware wholesaling with operations in Thailand. Customer D has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer D has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)

7.17.3 Top 5 Customers for FYE 2022

Our top 5 customers for FYE 2022 are listed in the following table:

	Customer	Type of Customer	Country	Main Types of Products and Services	Amount (RM'000)	Proportion of Group Revenue (%)	Approximate Length of Business Relationship ⁽¹⁾ (No. of Years)
1	Customer A ⁽²⁾	Importer	Thailand	Stainless steel pipes	8,241	2.3	6
2	Customer B ⁽³⁾	Manufacturer	Malaysia	Stainless steel products	6,400	1.8	11
3	Karnaphuli Shoes Ind. Ltd.	Manufacturer	Bangladesh	Stainless steel, other metal products, and hardware	2,886	0.8	4
4	Customer E ⁽⁴⁾	Contractor	Malaysia	Stainless steel products	2,436	0.7	16
5	Customer F ⁽⁵⁾	Manufacturer	Malaysia	Stainless steel products	2,346	0.7	17
Total Top 5					22,309	6.3	
Total Revenue					357,271		

Notes:

(1) Length of the relationship as at the FYE 2022.

(2) Customer A is a private company which is involved in importing and sale of stainless steel and polyester with operations in Thailand. Customer A has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer A has requested for its information to be kept private and confidential.

(3) Customer B is involved in design, development or manufacture of assembly of various electronic equipment and accessories, and related products and services with operations in Penang, Malaysia. Customer B is a subsidiary of a holding company with headquarters in Arizona, United States and is listed on the New York Stock Exchange. Customer B has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer B has requested for its information to be kept private and confidential.

(4) Customer E is a contractor for tiling and maintenance, and trading in construction materials, and is a private company that operates in Malaysia. Customer E has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer E has requested for its information to be kept private and confidential.

(5) Customer F is a private company which is involved in the supply and servicing of electro mechanical parts for power generation plants and their auxiliaries, and the manufacturing/assembling of high voltage electrical switchgear equipment and their related products with operations in Malaysia. Customer F has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer F has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)

7.17.4 Top 5 Customers for FPE 2023

Our top 5 customers for FPE 2023 are listed in the following table:

	Customer	Type of Customer	Country	Main Types of Products and Services	Amount (RM'000)	Proportion of Group Revenue (%)	Approximate Length of Business Relationship ⁽¹⁾ (No. of Years)
1	Customer G ⁽²⁾	Manufacturer	Singapore	Stainless steel products	7,083	3.2	2
2	Customer F ⁽³⁾	Manufacturer	Malaysia	Stainless steel products	3,203	1.5	18
3	Customer B ⁽⁴⁾	Manufacturer	Malaysia	Stainless steel products	2,577	1.2	12
4	Customer H ⁽⁵⁾	Manufacturer	Singapore	Stainless steel products	2,347	1.1	4
5	Karnaphuli Shoes Ind. Ltd.	Manufacturer	Bangladesh	Stainless steel, other metal products, and hardware	2,011	0.9	5
Total Top 5					17,221	7.9	
Total Revenue					220,339		

Notes:

(1) Length of the relationship as at the FPE 2023.

(2) Customer G is a private company which is involved in the fabrication and installation of steel and other metal components and accessories with operations in Singapore. Customer G has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer G has requested for its information to be kept private and confidential.

(3) Customer F is a private company which is involved in the supply and servicing of electro mechanical parts for power generation plants and their auxiliaries, and the manufacturing/assembling of high voltage electrical switchgear equipment and their related products with operations in Malaysia. Customer F has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer F has requested for its information to be kept private and confidential.

(4) Customer B is involved in design, development or manufacture of assembly of various electronic equipment and accessories, and related products and services with operations in Penang, Malaysia. Customer B is a subsidiary of a holding company with headquarters in Arizona, United States and is listed on the New York Stock Exchange. Customer B has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer B has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)

(5) Customer H is a private company which is involved in the design fabrication and installation of stainless steel and other metal components with operations in Singapore. Customer H has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Customer H has requested for its information to be kept private and confidential.

Dependency on Customers

We are not dependent on any individual customer during the Financial Years and Period Under Review as revenue contribution from our largest customer for each financial year and financial period accounted for less than 10.0% of the corresponding financial year or financial period's total revenue. Customer A, our largest customer for the FYE 2020, FYE 2021 and FYE 2022, accounted for 8.4%, 5.9% and 2.3% of our total revenue, respectively. Customer G, our largest customer for the FPE 2023, accounted for 3.2% of our total revenue for FPE 2023. We had approximately 3,500 active customers during FYE 2020 and FYE 2021, 3,600 active customers during FYE 2022 and 3,300 active customers during FPE 2023 (for 8 months) that made purchases of at least RM2,000 in the respective financial year or financial period .

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7. BUSINESS OVERVIEW (Cont'd)**7.18 TYPES AND SOURCES OF INPUT MATERIALS, PRODUCTS AND SERVICES**

The following are the main types of materials and services that we purchased for our business activities during the Financial Years and Period Under Review:

Purchases of Input Materials, Products and Services

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)
MALAYSIA OPERATIONS	146,399	89.4	188,570	86.7	224,572	85.8	140,214	81.2
Input Materials and Products	145,168	88.6	187,008	86.0	221,641	84.7	138,632	80.3
Stainless steel products ⁽²⁾	120,517	73.6	159,286	73.3	186,615	71.3	109,206	63.3
Copper products ⁽³⁾	10,600	6.5	14,083	6.5	19,449	7.4	17,303	10.0
Aluminium products ⁽⁴⁾	3,506	2.1	5,530	2.5	7,000	2.7	4,692	2.7
Brass products ⁽⁵⁾	2,108	1.3	2,357	1.1	2,678	1.0	2,075	1.2
Other metal products ⁽⁶⁾	2,751	1.7	3,079	1.4	3,485	1.4	1,884	1.1
Hardware and others ⁽⁷⁾	5,686	3.4	2,673	1.2	2,414	0.9	3,472	2.0
Sub-Contracted Services	1,231	0.8	1,562	0.7	2,931	1.1	1,582	0.9
Sub-contracted services ⁽⁸⁾	1,231	0.8	1,562	0.7	2,931	1.1	1,582	0.9
SINGAPORE OPERATIONS	17,374	10.6	28,856	13.3	37,269	14.2	32,489	18.8
Input Materials and Products	17,338	10.6	28,746	13.2	37,040	14.1	32,251	18.7
Stainless steel products ⁽²⁾	16,043	9.8	25,714	11.8	32,850	12.5	30,294	17.5
Copper products ⁽³⁾	738	0.5	2,014	0.9	2,231	0.8	368	0.2
Aluminium products ⁽⁴⁾	15	#	53	#	1,189	0.5	547	0.3
Brass products ⁽⁵⁾	2	#	-	-	-	-	-	-
Other metal products ⁽⁶⁾	-	-	17	#	1	#	111	0.1

7. BUSINESS OVERVIEW (Cont'd)

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)	Value of Purchases (RM'000)	Proportion of Total Purchases ⁽¹⁾ (%)
Hardware and others ⁽⁷⁾	540	0.3	948	0.5	769	0.3	931	0.6
Sub-Contracted Services	36	#	110	0.1	229	0.1	238	0.1
Sub-contracted services ⁽⁸⁾	36	#	110	0.1	229	0.1	238	0.1
TOTAL	163,773	100.0	217,426	100.0	261,841	100.0	172,703	100.0

Less than 0.1%.

Notes:

- (1) As a percentage of total Group purchases of input materials, products and services.
- (2) Stainless steel products include coils, plates, scheduled pipes, U-channels, angles and square, flat, round and hexagonal bars, chequered and perforated plates, pipe fittings and flanges.
- (3) Copper products include copper plates, pipes, tube coils, and square, flat and round bars, as well as chromium copper square, flat and round bars.
- (4) Aluminium products include plates, pipes, chequered plates and square, flat, round and angle bars.
- (5) Brass products include brass plates, pipes, shim, and square, flat, round and hexagon bars.
- (6) Other metal products include bronze, lead and carbon steel products.
- (7) Hardware and others include, among others, expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components.
- (8) Sub-contracted services include bending, cutting, polishing, shearing, perforation and tin plating of metal.

7. BUSINESS OVERVIEW (Cont'd)

Overall, purchases of input materials and products for our Group's trading, manufacturing and processing business activities (including our Malaysia and Singapore operations) accounted for 99.2%, 99.2%, 98.8% and 99.0% of our total purchases of input materials, products and services for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The remaining 0.8%, 0.8%, 1.2% and 1.0% of our total purchases were for services.

Purchases of input materials, products and services by our Malaysia operations accounted for 89.4%, 86.7%, 85.8% and 81.2% of our total Group purchases for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Meanwhile, purchases by our Singapore operations accounted for the remaining 10.6%, 13.3%, 14.2% and 18.8% of our total Group purchases, respectively.

In addition, the overall purchases of input materials, products and services from suppliers in Malaysia accounted for 12.2%, 7.6%, 2.9% and 9.2% of our total purchases of input materials, products and services. Meanwhile, our total purchases from suppliers in foreign countries (including Singapore) accounted for 87.8%, 92.4%, 97.1% and 90.8% of our total purchases of input materials, products and services for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.

Our Group's main purchases during the Financial Years and Period Under Review comprised stainless steel products, which accounted for 83.4%, 85.1%, 83.8% and 80.8% of our total purchases of input materials, products and services for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Most of the stainless steel products that we purchased are from suppliers in foreign countries as Malaysia and Singapore are not a primary producer of stainless steel. However, one of our major suppliers is the authorised trading agent for its Southeast Asia region was a company incorporated in Singapore. The said supplier was our major supplier in FYE 2022 and FPE 2023 which resulted in the higher percentage of purchase of stainless steel products from Singapore in FYE 2022 and FPE 2023.

Of the total purchases of stainless steel products, purchases from suppliers from foreign countries accounted for 90.0%, 95.4%, 99.9% and 93.6% of our purchases of stainless steel by value for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The remaining 10.0%, 4.6%, 0.1% and 6.4% were sourced from suppliers in Malaysia. The breakdown of our purchases of stainless steel products by country for the Financial Years and Period Under Review is summarised in the following table:

Purchases of stainless steel products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	13,679	10.0	8,592	4.6	321	0.1	8,943	6.4
Other countries	122,881	90.0	176,408	95.4	219,144	99.9	130,557	93.6
<i>Taiwan</i>	45,808	33.5	85,921	46.4	75,986	34.6	30,221	21.7
<i>Singapore</i>	4,912	3.6	6,028	3.3	41,648	19.0	67,033	48.0
<i>China</i>	24,626	18.0	20,174	10.9	40,366	18.4	9,039	6.5
<i>Hong Kong</i>	33,150	24.3	39,598	21.4	39,093	17.8	13,915	10.0
<i>Others⁽¹⁾</i>	8,622	6.4	13,960	7.6	11,826	5.4	1,868	1.3
<i>Stockists⁽²⁾</i>	5,763	4.2	10,727	5.8	10,225	4.7	8,481	6.1
Stainless steel products total	136,560	100.0	185,000	100.0	219,465	100.0	139,500	100.0

7. BUSINESS OVERVIEW (Cont'd)

* Percentage of the purchases of stainless steel products.

Notes:

- (1) Others include Brazil, India, Italy, Korea, Japan and the United Kingdom.
 (2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. We are unable to ascertain the country of origin of the products supplied by stockists.

The types of stainless steel products that we purchased for our trading business included coils, plates, scheduled pipes, U-channels, angles and square, flat, round and hexagonal bars, chequered and perforated plates, and pipe fittings and flanges. We purchased these stainless steel products in a range of different dimensions, and grades including stainless steel grades 304, 316, 316L and 439. This ensured that we can meet a wide range of customer requirements for stainless steel products.

In addition, we purchased stainless steel coils as input materials for our in-house manufacturing of stainless steel pipes, whereby we purchased coils in stainless steel grades 304, 316L and 439. We also purchased stainless steel bars, plates and sheets as input materials for our processing business activity.

We purchased copper, aluminium and brass products for our trading operations and this is as follows:

- Purchases of copper products accounted for 7.0%, 7.4%, 8.2% and 10.2% of our total purchases of input materials, products and services for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. We mainly source our copper products from suppliers from foreign countries which accounted for 90.8%, 81.8%, 98.7% and 100.0% of our purchases of copper products for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. We purchased copper plates, pipes, tube coils, and square, flat and round bars, as well as chromium copper square, flat and round bars, in a range of dimensions. The breakdown of our purchases of copper products by country for the Financial Years and Period Under Review is summarised in the following table:

Purchases of copper products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	1,046	9.2	2,926	18.2	282	1.3	1	#
Other countries	10,292	90.8	13,171	81.8	21,398	98.7	17,670	100.0
<i>Hong Kong</i>	6,596	58.2	11,057	68.7	11,979	55.3	4,329	24.5
<i>Indonesia</i>	-	-	-	-	7,552	34.8	12,574	71.2
<i>China</i>	2,950	26.0	1,023	6.4	1,354	6.2	575	3.2
<i>Others⁽¹⁾</i>	466	4.1	445	2.7	-	-	-	-
<i>Stockists⁽²⁾</i>	280	2.5	646	4.0	513	2.4	192	1.1
Copper products total	11,338	100.0	16,097	100.0	21,680	100.0	17,671	100.0

* Percentage of the purchases of copper products. # Less than 0.1%.

Notes:

- (1) Others include Germany and Singapore.
 (2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. We are unable to ascertain the country of origin of the products supplied by stockists.

7. BUSINESS OVERVIEW (Cont'd)

- Aluminium products accounted for 2.1%, 2.5%, 3.2% and 3.0% of our total purchases of input materials, products and services for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. We mainly sourced aluminium products from suppliers in foreign countries during the Financial Years and Period Under Review, which accounted for 97.9%, 100.0%, 99.8% and 100.0% of our purchases of aluminium products for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The types of aluminium products we purchased include plates, pipes, chequered plates and square, flat, round and angle bars in a range of dimensions. The breakdown of our purchases of aluminium products by country for the Financial Years and Period Under Review is summarised in the following table:

Purchases of aluminium products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	75	2.1	2	#	13	0.2	-	-
Other countries	3,446	97.9	5,581	100.0	8,176	99.8	5,239	100.0
China	1,621	46.0	3,015	54.0	5,490	67.0	3,988	76.1
Others ⁽¹⁾	242	6.9	99	1.8	147	1.8	167	3.2
Stockists ⁽²⁾	1,583	45.0	2,467	44.2	2,539	31.0	1,084	20.7
Aluminium products total	3,521	100.0	5,583	100.0	8,189	100.0	5,239	100.0

Less than 0.1%.

* Percentage of the purchases of aluminium products.

Notes:

(1) Others include the United Kingdom and Singapore.

(2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. We are unable to ascertain the country of origin of the products supplied by stockists.

- Brass products accounted for 1.3%, 1.1%, 1.0% and 1.2% of our total purchases of input materials, products and services for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively, and were mainly sourced from foreign countries which accounted for 65.4%, 61.6%, 60.9% and 70.6% of our purchases of brass products for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The remaining 34.6%, 38.4%, 39.1% and 29.4% of our brass products were sourced from suppliers in Malaysia. We purchased brass plates, pipes, shim, and square, flat, round and hexagon bars in a range of dimensions. The breakdown of our purchases of brass products by country for the Financial Years and Period Under Review is summarised in the following table:

7. BUSINESS OVERVIEW (Cont'd)

Purchases of brass products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	731	34.6	904	38.4	1,048	39.1	611	29.4
Other countries	1,379	65.4	1,453	61.6	1,630	60.9	1,464	70.6
Korea	531	25.2	350	14.8	278	10.4	330	15.9
Others ⁽¹⁾	101	4.8	-	-	117	4.4	477	23.0
Stockists ⁽²⁾	747	35.4	1,103	46.8	1,235	46.1	657	31.7
Brass products total	2,110	100.0	2,357	100.0	2,678	100.0	2,075	100.0

* Percentage of the purchases of brass products.

Notes:

(1) Others include the China and Germany.

(2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. We are unable to ascertain the country of origin of the products supplied by stockists.

In addition, we purchased other metal products for our trading business which collectively accounted for 1.7%, 1.4%, 1.4% and 1.2% of our total purchases of input materials and services respectively for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 from suppliers in foreign countries. The other metal products that we purchased included bronze plates, pipes and round bars, lead sheets, and carbon steel pipes, pipe fittings and flanges. The breakdown of our purchases of other metal products by country for the Financial Years and Period Under Review is summarised in the following table:

Purchases of other metal products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	-	-	-	-	-	-	-	-
Other countries	2,751	100.0	3,096	100.0	3,486	100.0	1,995	100.0
United Kingdom	317	11.5	493	15.9	287	8.2	-	-
China	311	11.3	332	10.7	175	5.0	50	2.5
Taiwan	427	15.5	679	21.9	173	5.0	-	-
Others ⁽¹⁾	181	6.6	396	12.8	428	12.3	235	11.8
Stockists ⁽²⁾	1,515	55.1	1,196	38.7	2,423	69.5	1,710	85.7
Other metal products total	2,751	100.0	3,096	100.0	3,486	100.0	1,995	100.0

* Percentage of the purchases of other metal products.

Notes:

(1) Others include Brazil, India, Italy, Japan and the United Kingdom.

(2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. We are unable to ascertain the country of origin of the products supplied by stockists.

7. BUSINESS OVERVIEW (Cont'd)

We also purchased hardware and other products for our trading operations, which collectively accounted for 3.7%, 1.7%, 1.2% and 2.7% of our total purchases for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively from suppliers in Malaysia and foreign countries. Hardware and other products include expanded metal, engineered plastics, household and industrial cleaning chemicals, ironmongeries, busbar components and switchboard components. The breakdown of our purchases of hardware and other products by country for the Financial Years and Period Under Review is summarised in the following table:

Purchases of hardware and other products	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Malaysia	2,053	33.0	2,152	59.4	1,829	57.5	1,741	39.5
Other countries	4,173	67.0	1,469	40.6	1,354	42.5	2,662	60.5
<i>Hong Kong</i>	3,375	54.2	-	-	-	-	-	-
<i>China</i>	626	10.1	1,093	30.2	955	30.0	1,885	42.8
<i>Others⁽¹⁾</i>	172	2.7	376	10.4	399	12.5	777	17.7
Hardware and other products total	6,226	100.0	3,621	100.0	3,183	100.0	4,403	100.0

* Percentage of the purchases of hardware and other products.

Note:

(1) Others include India, Japan, Singapore, Taiwan, the United Kingdom and the United States.

Our Malaysia operations engaged subcontracted services from suppliers in Malaysia, and our Singapore operations engaged subcontracted services from suppliers in Singapore. The subcontracted services that we engaged during the Financial Years and Period Under Review include bending, cutting, shearing, tin plating, polishing and perforation services, and these subcontracted services accounted for 0.8%, 0.8%, 1.2% and 1.0% of our total purchases for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Thus far, we have not experienced any significant shortages in sourcing our input materials, products and services. Our key material, stainless steel is a commodity and are therefore subject to price fluctuations as a result of demand and supply conditions. For further details on the risks of fluctuations in the prices of stainless steel, please refer to Section 9 of this Prospectus.

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7. BUSINESS OVERVIEW (Cont'd)**7.19 MAJOR SUPPLIERS****7.19.1 Top 5 Suppliers for FYE 2020**

Our top 5 suppliers for FYE 2020 are listed in the following table:

	Supplier	Type of Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Eternal Tsingshan Group Limited	Manufacturer	Hong Kong	Stainless steel products	35,693	21.8	2
2	Yieh United Steel Corporation	Manufacturer	Taiwan	Stainless steel products	22,116	13.5	10
3	Bahru Stainless Sdn Bhd	Manufacturer	Malaysia	Stainless steel plates and coils	11,643	7.1	7
4	Well Famous International Co., Ltd	Intermediary	Taiwan	Stainless steel products	8,464	5.2	5
5	Supplier A ⁽²⁾	Intermediary	China	Stainless steel products	8,210	5.0	1
	Sub-total				86,126	52.6	
	Group Purchases				163,773		

Notes:

(1) Length of the relationship as of the FYE 2020.

(2) Supplier A is a private company involved in trading activities with operations in China. Supplier A has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Supplier A has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)**7.19.2 Top 5 Suppliers for FYE 2021**

Our top 5 suppliers for FYE 2021 are listed in the following table:

	Supplier	Type of Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Well Famous International Co., Ltd	Intermediary	Taiwan	Stainless steel products	37,234	17.1	6
2	Eternal Tsingshan Group Limited	Manufacturer	Hong Kong	Stainless steel products	34,495	15.9	3
3	Yieh United Steel Corporation	Manufacturer	Taiwan	Stainless steel products	32,106	14.8	11
4	Viraj Profiles Ltd	Manufacturer	India	Stainless steel products	11,468	5.3	9
5	Hua Hong Copper (Hong Kong) Limited	Manufacturer	Hong Kong	Copper products	9,762	4.5	9
	Sub-total				125,065	57.6	
	Group purchases				217,426		

Note:

(1) Length of the relationship as of the FYE 2021.

7. BUSINESS OVERVIEW (Cont'd)**7.19.3 Top 5 Suppliers for FYE 2022**

Our top 5 suppliers for FYE 2022 are listed in the following table:

	Supplier	Type of Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Well Famous International Co., Ltd	Intermediary	Taiwan	Stainless steel products	34,927	13.3	7
2	Eternal Tsingshan Group Limited	Manufacturer	Hong Kong	Stainless steel products	32,436	12.4	4
3	Golden Harbour International Pte Ltd ⁽²⁾	Intermediary	Singapore	Stainless steel products	30,293	11.6	1
4	Yieh United Steel Corporation	Manufacturer	Taiwan	Stainless steel products	22,816	8.7	12
5	Hua Hong Copper (Hong Kong) Limited	Manufacturer	Hong Kong	Copper products	12,758	4.9	10
	Sub-total				133,230	50.9	
	Group purchases				261,841		

Notes:

- (1) Length of the relationship as at the FYE 2022.
- (2) Eternal Tsingshan Group Limited appointed Golden Harbour International Pte Ltd as its authorised trading agent for the Southeast Asia region, and we started to purchase from Golden Harbour International Pte Ltd in FYE 2022. Based on the existing arrangement between our Group and Eternal Tsingshan Group Limited, our Group will continue to purchase stainless steel products from Eternal Tsingshan Group Limited, Golden Harbour International Pte Ltd and any other authorised agent appointed by Eternal Tsingshan Group Limited.

7. BUSINESS OVERVIEW (Cont'd)**7.19.4 Top 5 Suppliers for FPE 2023**

Our top 5 suppliers for FPE 2023 are listed in the following table:

	Supplier	Type of Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (%)	Approximate Length of Business Relationship⁽¹⁾ (No. of Years)
1	Golden Harbour International Pte Ltd ⁽²⁾	Intermediary	Singapore	Stainless steel products	52,748	30.5	2
2	Well Famous International Co., Ltd	Intermediary	Taiwan	Stainless steel products	12,699	7.4	8
3	PT. New Asia Pacific Copper Indonesia	Manufacturer	Indonesia	Copper products	12,207	7.1	2
4	Tsingshan HK Technology Limited	Manufacturer	Hong Kong	Stainless steel products	10,046	5.8	1
5	Supplier B ⁽³⁾	Manufacturer	China	Stainless steel products	7,250	4.2	1
	Sub-total				94,950	55.0	
	Group purchases				172,703		

Notes:

- (1) Length of the relationship as at the FPE 2023.
- (2) Eternal Tsingshan Group Limited appointed Golden Harbour International Pte Ltd as its authorised trading agent for the Southeast Asia region, and we started to purchase from Golden Harbour International Pte Ltd in FYE 2022. Based on the existing arrangement between our Group and Eternal Tsingshan Group Limited, our Group will continue to purchase stainless steel products from Eternal Tsingshan Group Limited, Golden Harbour International Pte Ltd and any other authorised agent appointed by Eternal Tsingshan Group Limited.
- (3) Supplier B is a private company which is involved in the manufacturing and supply of stainless steel pipes, fittings and other products with operations in China. Supplier B has not agreed to our Group's request for consent for disclosure of its identity in this Prospectus as Supplier B has requested for its information to be kept private and confidential.

7. BUSINESS OVERVIEW (Cont'd)

Dependency on Suppliers

The suppliers that accounted for more than 10.0% of our total purchases for any individual year during the Financial Years and Period Under Review are as follows:

- Well Famous International Co., Ltd from Taiwan, a supplier of stainless steel products, accounted for 17.1%, 13.3% and 7.4% of our total purchases for FYE 2021, FYE 2022 and FPE 2023 respectively. They were our largest supplier for FYE 2021 and FYE 2022 and the second largest supplier for FPE 2023.
- Eternal Tsingshan Group Limited from Hong Kong supplies stainless steel products to us and accounted for 21.8%, 15.9% and 12.4% of our total purchases for the FYE 2020, FYE 2021 and FYE 2022 respectively. They were our largest supplier for the FYE 2020 and the second largest for the FYE 2021 and FYE 2022.
- Yieh United Steel Corporation from Taiwan, a supplier of stainless steel products, accounted for 13.5%, 14.8% and 8.7% of our total purchases for FYE 2020, FYE 2021 and FYE 2022 respectively. They were our second largest supplier for FYE 2020, third largest for FYE 2021 and fourth largest for FYE 2022.
- Golden Harbour International Pte Ltd from Singapore, a supplier of stainless steel products, accounted for 11.6% and 30.5% of our total purchases for FYE 2022 and FPE 2023 respectively. They were our third largest supplier for FYE 2022 and the largest supplier for FPE 2023.

Notwithstanding the percentage contribution or purchase value, we are not dependent on Well Famous International Co., Ltd, Eternal Tsingshan Group Limited, Yieh United Steel Corporation or Golden Harbour International Pte Ltd for the supply of stainless steel products as the types of stainless steel products that we purchase are available from other suppliers. Should the need arise, we can source similar stainless steel products from alternative suppliers. During the Financial Years and Period Under Review, we purchased similar types of stainless steel products from approximately 18 other suppliers (in addition to the four suppliers listed above).

7.20 EMPLOYEES

As at the LPD, our Group has a total of 377 employees, of which 232 employees are permanent employees and 145 employees are contractual employees. A summary of our Group's permanent and contractual employees as at FYE 2022 and the LPD is set out in Sections 7.20.1 and 7.20.2 below.

7.20.1 Permanent employees

The number of permanent employees in our Group as at FYE 2022 and the LPD is as follows:

(a) Category

Category	As at FYE 2022	As at the LPD
Directors and key senior management	8	8
Finance, human resources and administration	24	25
Logistics	68	66
Production	24	21
Sales and marketing	113	108
Procurement	4	4
Total	241	232

7. BUSINESS OVERVIEW (Cont'd)**(b) Geographical Location**

Geographical location	No. of employees					
	As at FYE 2022			As at the LPD		
	Local	Foreign ⁽¹⁾	Total	Local	Foreign ⁽¹⁾	Total
Malaysia	235	-	235	226	-	226
Singapore	6	-	6	6	-	6
Total	241	-	241	232	-	232

Note:

(1) Foreign national who is not a citizen or national of a particular country.

7.20.2 Contractual employees

The number of contractual employees in our Group as at FYE 2022 and the LPD, which consists of local employees who have attained the minimum retirement age of 60 and foreign employees, is as follows:

(a) Category

Category	No. of employees	
	As at FYE 2022	As at the LPD
Logistics	40	41
Production	101	94
Sales and marketing	5	5
Finance, human resources and administration	6	5
Total	152	145
Monthly average	126	148⁽¹⁾

Note:

(1) The average headcount of our contractual employees from January to November 2023.

(b) Geographical location

Geographical location	No. of employees					
	As at FYE 2022			As at the LPD		
	Local	Foreign ⁽¹⁾	Total	Local	Foreign ⁽¹⁾	Total
Malaysia	7	132	139	8	123	131
Singapore	-	13	13	-	14	14
Total	7	145	152	8	137	145

Note:

(1) Foreign national who is not a citizen or national of a particular country.

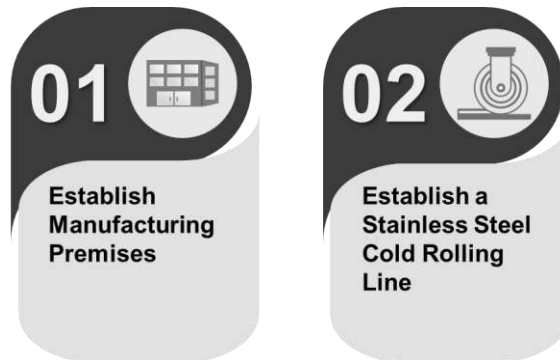
As at the LPD, none of our employees are members of any union nor have there been any major industrial disputes in the past. All our foreign employees working in Malaysia and Singapore have valid working permits and we have not been and are not in breach of any immigration laws.

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7. BUSINESS OVERVIEW (Cont'd)

7.21 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans will continue to focus on our core competencies in the trading of metal and other products, manufacturing of stainless steel pipes and processing of stainless steel products. In addition, we intend to grow our business by establishing a stainless steel cold rolling line, as summarised in the following diagram:



We intend to implement the above business strategies and plans between 2023 and 2026, as further detailed in the sections below.

7.21.1 Establish a manufacturing premises (Semenyih Manufacturing Premises)

We plan to establish a manufacturing premises for stainless steel cold rolling located on the Semenyih Land that was purchased by our subsidiary, TSA Industries at PT 1125, HS(D) 37423, Mukim Hulu Semenyih in Semenyih, Selangor. TSA Industries completed the acquisition of the Semenyih Land on 7 October 2022. The lease tenure will expire on 7 August 2093, and the land measures approximately 435,615 sq. ft. in size. The manufacturing premises that TSA Industries plans to construct on the vacant Semenyih Land will include the following:

Type of Space	Approximate built-up area (sq. ft.)
Office	23,250
Production area ⁽¹⁾	197,128
1 block of workers' hostel ⁽²⁾	18,858
TOTAL	239,236

Notes:

(1) The stainless steel cold rolling line will be installed at the production area.

(2) Comprises one block for general workers with total accommodation capacity of 90 persons.

7. BUSINESS OVERVIEW (Cont'd)

A rendering of Semenyih Manufacturing Premises and workers' hostel



7.21.2 Establish a stainless steel cold rolling line

As part of our business strategy, TSA Industries plans to establish a stainless steel cold rolling line at the Semenyih Manufacturing Premises upon the completion of construction of the premises. We intend to commence producing cold rolled stainless steel coils, which is a new business to us, with this line. The line that we plan to set up will have the capacity of producing 4,000 tonnes of cold rolled stainless steel coils per month.

We are currently purchasing cold-rolled stainless steel coils for our business operations from third-party suppliers. With the establishment of the stainless steel cold rolling line, we intend to use the cold rolled stainless steel coils that we produce in-house for our trading business, as well as input materials for our pipe manufacturing and processing business activities. The anticipated benefits of producing these types of cold-rolled stainless steel coils in-house allow us to have more control over the quality, timing and availability of cold rolled stainless steel coils, which we currently purchase from third-party suppliers; reduce our reliance on third-party suppliers; and improve our inventory level management. We should also be better positioned to capitalise our sales opportunities.

Generally, we will purchase hot-rolled stainless steel coils as the input coils to further process, by cold rolling into thinner gauge coils. Cold rolling is the process of passing input stainless steel coils through a series of rollers of progressively decreasing thickness until the desired thickness is achieved. In cold rolling, the coils are not heated up before rolling. Cold rolling can produce stainless steel coils with closer dimensional tolerances, increased hardness and strength, and a wider range of surface finishing compared to hot rolling. After cold rolling, the stainless steel coil may be heat treated in an annealing furnace. Annealing is a heat treatment process that involves heating and cooling the cold rolled stainless steel in a controlled manner to achieve required physical properties, such as stainless steel that is easier to draw, less hard and easier to work with.

In view of the above process, we plan to utilise white hot rolled stainless steel coils as input material to produce cold-rolled stainless steel coils with thickness ranging from 0.3 mm to 2.75 mm.

We have incorporated a subsidiary, Asia Inox, to undertake the production of cold-rolled stainless steel coils. Asia Inox will carry out the following:

- Installation and commissioning of the stainless steel cold rolling line at the Semenyih Manufacturing Premises;
- Engage technical personnel with the requisite experience and expertise to setup and operate the stainless steel cold rolling line to produce cold-rolled stainless steel coils;
- Enter into a lease agreement with TSA Industries to utilise the Semenyih Manufacturing Premises as mentioned in 7.21 above upon terms and conditions to be agreed;
- Produce cold-rolled stainless steel coils; and
- Distribute and sell cold-rolled stainless steel coils to our Group as well as external customers in Malaysia and other countries.

7. BUSINESS OVERVIEW (Cont'd)

The total estimated cost to purchase, install, test and commission the stainless steel cold rolling line, including the annealing furnace, is estimated at RM52.0 million. We propose to finance this stainless steel cold rolling line through internally generated funds and bank borrowings.

The steps that we have taken or will take to ensure that the stainless steel cold rolling line that we intend to establish will be successful include the following:

- Our contract for purchasing the reconditioned stainless steel cold rolling line stipulates that it has to be installed, tested, commissioned and commence production of cold rolled stainless steel coils before the vendor is entitled to full payment;
- The vendor has agreed to provide technical assistance and transfer knowledge with respect to production operations for up to 2 years after the commissioning of the stainless steel cold rolling line;
- We have the option of engaging technical experts recommended by the vendor to manage production operations;
- We have identified in-house technical personnel who will be assigned to work closely with the vendor and the technical experts that we may engage during installation, testing and commissioning of the stainless steel cold rolling line; and
- We plan to recruit suitable technicians and workers to operate the stainless steel cold rolling line.

7.21.3 Indicative timeline and estimated costs

We have placed an order for one reconditioned stainless steel cold rolling line with one annealing furnace in the fourth quarter of 2021. As at the LPD, we have paid part of the purchase price for the reconditioned cold-rolling line amounting to USD3.6 million (equivalent to RM15.8 million as at the LPD), and some of the machinery and equipment are already in our possession held in storage in Selangor, Malaysia. As at the LPD, we have also submitted plans for the construction of the Semenyih Manufacturing Premises to authorities, and have engaged consultants to design the said premises. We have purchased a reconditioned stainless steel cold rolling line rather than a new line as the cost of the reconditioned line is approximately 60% lower compared to a new line of comparable specifications, thereby resulting in lower capital expenditure for establishing the stainless steel cold rolling line. We estimate that the maintenance requirements of the reconditioned stainless steel cold rolling line will be mainly due to frequent replacement of parts, mainly bearings and shafts which we estimate will cost approximately RM0.3 million per year. We estimate that the reconditioned stainless steel cold rolling line will have a lifespan of 30 years from commissioning by us.

The indicative timeline for establishing the Semenyih Manufacturing Premises and stainless steel cold rolling line is as follows, subject to the approvals obtained from the relevant authorities by end of first quarter of 2024:

Indicative Timeline	Milestones
Third quarter 2024	<ul style="list-style-type: none"> • Engage main contractor to construct the Semenyih Manufacturing Premises. • Commence construction works for the said premises.
First quarter 2026	<ul style="list-style-type: none"> • Complete construction of the Semenyih Manufacturing Premises. • Commence setting up for the stainless steel cold rolling line.
Third quarter 2026	<ul style="list-style-type: none"> • Commissioning of the stainless steel cold rolling line.

7. BUSINESS OVERVIEW (Cont'd)

The total estimated cost of establishing the Semenyih Manufacturing Premises and stainless steel cold rolling line is RM120.0 million, segmented as follows:

	Total estimated cost (RM mil)	Source of funds	
		Internally generated funds/ Bank borrowings (RM mil)	IPO Proceeds (RM mil)
Semenyih Manufacturing Premises			
Cost of the Semenyih Land (already purchased) ⁽¹⁾	13.1	13.1	-
Construction of the premises ⁽²⁾	52.0	46.9	5.1
Stainless steel cold rolling line			
Purchase, install, test and commission one stainless steel cold rolling line ⁽³⁾	52.0	52.0	-
Other expenses ⁽⁴⁾	2.9	2.9	-
TOTAL	120.0	114.9	5.1

Notes:

- (1) The acquisition of the Semenyih Land at purchase value of RM13.1 million has been completed on 7 October 2022.
- (2) Including construction of building, cabling and substation.
- (3) Including overhead cranes and forklifts, weigh bridge and compressors.
- (4) Include construction and installation contingencies.

7. BUSINESS OVERVIEW (Cont'd)

7.22 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Details of major approvals, licences and permits obtained by our Group as at the LPD are set out below:

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
1.	TSA Industries	Manufacturing licence for stainless steel pipes and hollow sections ⁽¹⁾⁽²⁾ Address: Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor	Licence No.: A022459 Serial No.: A037999	MITI	3 July 2020/ -	<p>(a) TSA Industries shall notify MITI and MIDA in the event of any disposal of shares in TSA Industries.</p> <p>(b) TSA Industries shall train Malaysian citizens so that the transfer of technology and expertise can be channelled to all levels of designations.</p> <p>(c) TSA Industries shall comply with the Capital Investment Per Employee (CIPE) condition of at least RM140,000.</p> <p>(d) The total full-time employees of TSA Industries must consist of at least 80% Malaysian citizens. The employment of foreign workers including outsourced workers is</p>	<p>Complied⁽³⁾</p> <p>Complied</p> <p>Complied</p> <p>To be complied⁽⁴⁾</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						subject to current policies.	
						(e) TSA Industries shall submit information in relation to the performance of investment and implementation of project under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit the said information may result in TSA Industries (and its director, manager or other officer serving in a managerial capacity. Please refer to Section 7.26(i) of this Prospectus for further details):	Noted
						(i) guilty of an offence and may be fined not more than RM1,000 or	

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>imprisonment for not more than 3 months or both and may be fined further not more than RM500 for everyday of continuing offence; or</p> <p>(ii) committing an offence if it provides any false or misleading statement or information and may be fined not more than RM2,000 or imprisonment of not more than 6 months or both.</p> <p>(f) TSA Industries shall carry out its projects as approved and in accordance with the laws and regulations in Malaysia.</p>	Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
2.	TSA Industries	Trade, Business and Industrial Licence for Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan. Description: (a) non-illuminated billboard (TSA Industries Sdn Bhd) (b) manufacturing / processing metal (aluminium, copper, gold, silver and others) (c) wholesale (<i>memborong</i>) / store metal (aluminium, copper, gold, silver and others) (d) sales / services (aluminium, copper, gold, silver and others)	MPKJ/CL/6/59 3/2007	Kajang Municipal Council	1 January 2023/ 31 December 2023 ⁽⁵⁾	(a) The licensing authority reserves the right to revoke the approval of the licence at any time. (b) The licence holder must comply with all conditions and restrictions set by the licensing authority. (c) The licence must be renewed before it expires and can be renewed 3 months before the expiry date. (d) The owner of the premises shall inform the licensing authority of any change in ownership of any premises under the control of the licensing authority.	Noted Complied Noted Noted
3.	TSA Industries	Trade, Business and Industrial Licence for No. 23, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan. Description: Sales / services - metal	MPKJ/CL/6/32 8/2014	Kajang Municipal Council	27 October 2023 / 26 October 2024	(a) The licensing authority reserves the right to revoke the approval of the licence at any time. (b) The licence holder must comply with all conditions and	Noted Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						restrictions set by the licensing authority.	
						(c) The licence must be renewed before it expires and can be renewed 3 months before the expiry date.	Noted
						(d) The owner of the premises shall inform the licensing authority of any change in ownership of any premises under the control of the licensing authority.	Noted
4.	TSA Industries	Business/Advertisement Licence for PT232041, Jalan Zarib 9, Kawasan Perindustrian Zarib, 31500 Lahat, Perak. Description: Warehouse or wholesale / storage of goods	G1/D/2/J2(C)4 2/31/23 G9/D/2/31/2023	Ipoh City Council	27 October 2023 / 26 October 2024	(a) The licence must be renewed and the fees must be paid before or within 14 days from the expiry date.	Noted
						(b) If payment is not made within the specified period, the business is considered unlicensed and subject to compound action.	Noted
						(c) The business cannot be carried out in places	Complied

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Company</u>	<u>Description of approval / licence / permit</u>	<u>Licence No. / Reference No.</u>	<u>Issuer / Authority</u>	<u>Effective date / Expiry date</u>	<u>Major conditions</u>	<u>Status of compliance</u>
						other than what is specified in the licence.	
						(d) The licence may be revoked at any time if the licensing conditions under the relevant laws are not being complied with.	Noted
						(e) The licence cannot be transferred to any other person or company without the approval of Ipoh City Council.	Noted
5.	TSA Industries	Business Licence for CL 015028430, Building No. 125G, Block E1, Jalan Tuaran Bypass, 88450 Kota Kinabalu, Sabah.	766214	Kota Kinabalu City Hall	15 November 2023/ 31 December 2024	-	Not applicable
		Description: Supply of hardware and stainless steel material					
6.	TSA Industries	Businesses, Professions and Trading Licence for Lot 3695A, Block 6, KBLD, Permyjaya Technology Park, Bandar Baru Permyjaya, 98000 Miri, Sarawak.	1113145	Sarawak State Government	25 April 2023/ 18 May 2024	-	Not applicable

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						Mayor of Seremban City Council at any time without giving any reason.	
8.	TSA Industries	Business/Advertisement Licence for 2410, Jalan Perusahaan Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang.	PRI/01/202203 04/6046	Seberang Perai City Council	15 November 2023/ 31 December 2024	-	Not applicable
		Description: (a) warehouse / store to store goods made of aluminium, copper, steel, tin and other iron materials (storage) - warehouse (iron); (b) office (sales / wholesale / services) - office; and (c) billboard.					
9.	TSA Industries	Business/Advertisement Licence for No. 22 & 24 Jalan Gemilang 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim ⁽⁶⁾ .	L2022LI02735 Billboard Serial No.: JB/I/2022/05/1 00299	Johor Bahru City Council	14 November 2023/ 31 December 2024	(a) The licence is not transferable except with the approval of the Mayor of Johor Bahru City Council. (b) The licence may be revoked if there is any breach of the licensing conditions.	Noted Noted
		Description: (a) supply of metal and iron goods licence; and					

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
		(b) billboard.				(c) The licence holder is required to notify Johor Bahru City Council in writing if the business is terminated later.	Noted
						(d) The licence must be renewed at least 30 days before the expiry date of the existing licence.	Noted
10.	TSA Industries	Product Certification Licence to use the Certification Mark on welded stainless steel mechanical tubing as complying with the ASTM A 554 – 2013 standard specification.	PC004838	SIRIM QAS International Sdn Bhd	20 December 2019/ 20 December 2024	-	Not applicable
11.	TSA Industries	Certification of Standards Compliance (Building Materials) for iron and steel products – welded stainless steel mechanical tubing.	Registration No.: 1200820SL0478	Construction Industry Development Board (“CIDB”)	1 September 2023/ 31 August 2024	(a) The certificate can be renewed 60 days before expiry. (b) The certificate is not transferable.	Noted Noted
						(c) TSA Industries shall notify CIDB in the event of termination, transfer or any change relating to its operations and location.	Noted

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						(d) CIDB shall take court action against any person who infringes any provisions of the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (" CIDB Act ") and upon conviction, be fined not less than RM10,000 but not more than RM500,000.	Noted
						(e) CIDB shall suspend, revoke the certificate or impose a fine of not more than RM10,000 in the following circumstances:	Noted
						(i) dealing with expired certificate;	
						(ii) falsifying or modifying the certificate, product certification (<i>pensijilan produk</i>), full testing results (<i>keputusan pengujian penuh</i>)	

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Company</u>	<u>Description of approval / licence / permit</u>	<u>Licence No. / Reference No.</u>	<u>Issuer / Authority</u>	<u>Effective date / Expiry date</u>	<u>Major conditions</u>	<u>Status of compliance</u>
						<p>or FTTR) or any related documents for the purpose of certifying the building materials;</p> <p>(iii) any non-conformity with the building materials inspected or based on the test results or both;</p> <p>(iv) infringing any CIDB's directive, undertaking or statement of responsibility issued; or</p> <p>(v) dealing with any building materials that are not listed in the certificate.</p>	

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
12.	TSA Industries	Carrier 'A' Operator's Licence for carrying goods for hire or reward for or in connection with any trade or business carried on in Peninsular Malaysia.	199301025961 (LA)	Land Public Transport Agency	26 June 2023/ 15 September 2028	The licence must be renewed at least 90 days prior to its expiry.	Noted
13.	TSA Industries	Carrier 'C' Operator's Licence for carrying its own goods for or in connection with any trade or business carried on in Peninsular Malaysia.	199301025961 (LC)	Land Public Transport Agency	26 June 2023/ 2 September 2028	The licence must be renewed at least 90 days prior to its expiry.	Noted

Notes:

- (1) TSA Pipes was operating without a manufacturing licence at Lot 3998 for the period between 2013 and 2016. TSA Pipes had not applied for a manufacturing licence because it was not aware that a manufacturing company is required to obtain a manufacturing licence once its shareholders' funds is RM2.5 million and above or the company was employing more than 75 full-time employees at the relevant time ("**Manufacturing Licence Requirement**"). The Manufacturing Licence Requirement was not applicable to TSA Pipes when it commenced its manufacturing activities and only became applicable in 2013 when the full-time employees of TSA Pipes were more than 75 employees and the shareholders' funds of TSA Pipes from FYE 2014 onwards was RM2.5 million and above. TSA Pipes ceased operation and its manufacturing activities and all employees employed under TSA Pipes were transferred and taken over by TSA Industries effective 1 January 2017.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with Section 3(1) of the ICA 1975.

- (2) TSA Industries started undertaking manufacturing activities at Lot 3998 in 2017. The shareholders' funds of TSA Industries for FYE 2017 onwards was RM2.5 million and above, and it had more than 75 full-time paid employees. As such, pursuant to the ICA 1975 and Industrial Co-ordination Exemption Order 1976, TSA Industries was required to obtain a manufacturing licence to conduct its manufacturing activities. TSA Industries was undertaking manufacturing activities without a manufacturing licence at Lot 3998 for the period between 2017 and 2020 because it was not aware of the Manufacturing Licence Requirement. TSA Industries had applied for a manufacturing licence in February 2020 after it became aware of the Manufacturing Licence Requirement and obtained the manufacturing licence in September 2020 for the production of stainless steel pipes and hollow sections. The manufacturing licence issued to TSA Industries is effective from 3 July 2020.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with Section 3(1) of the ICA 1975.

- (3) It is a condition under the manufacturing licence that TSA Industries shall notify MITI and MIDA in the event of any disposal of shares in TSA Industries. TSA Industries had, on 7 November 2023, notified MITI and MIDA that the Acquisition of TSA Industries was completed on 31 October 2023.
- (4) It is a condition under the manufacturing licence that the total full-time employees of TSA Industries must consist of at least 80% Malaysian citizens ("**Malaysian Employee Condition**"). As at the LPD, the full-time employees of TSA Industries consist of 356 employees, of which 233 are Malaysian citizens and 123 are foreign nationals. This constitutes approximately 65.5% Malaysian citizens.

MITI had, on 23 July 2022, announced that the Government has decided that compliance with the Malaysian Employee Condition imposed on manufacturing licences will be postponed until 31 December 2024. Notwithstanding this, TSA Industries will continue to undertake efforts to recruit Malaysian citizens in order to comply with the Malaysian Employee Condition.



- (5) The licence has been renewed to 31 December 2024 and the effective date of the renewed licence is 1 January 2024.
- (6) TSA Industries was operating from its rented business premises at No. 22 & 24, Jalan Gemilang 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor ("**Ulu Tiram Premises**") without a valid business licence from 1 July 2018 until 23 May 2022. TSA Industries had, on 24 May 2022, obtained the business licence for the Ulu Tiram Premises, which is valid until 31 December 2023.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the Licensing of Trades, Businesses and Industries (Johor Bahru City Council) By-Laws 2016.




7. BUSINESS OVERVIEW (Cont'd)

7.23 INTELLECTUAL PROPERTY


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

No.	Company	Trademark	Registration no. / Application no.	Issuing authority	Class / Description of trademark	Validity period	Status
1.	TSA Industries		08016441	Intellectual Property Corporation of Malaysia ("MyIPO")	Class 37 – Advisory services relating to the repair and maintenance of spare parts and components for motor vehicles; arranging for the repair of spare parts and components for motor vehicles; service centre for motor vehicle's spare parts and components repair; inspection of spare parts and components for motor vehicles prior to repair; maintenance and repair of spare parts and components for motor vehicles; provision of information relating to the repair of spare parts and components for motor vehicles; service stations for the repair of spare parts and components for motor vehicles; motor vehicle's spare parts and components breakdown repair services	18 August 2008 to 18 August 2028	Registered
2.	TSA Industries		08016442	MyIPO	Class 35 – Procurement, sales and distribution of all kind of industrial and hardware goods; sales distribution of spare parts and accessories for vehicle; sales and distribution of turbo charges; air compressors, air braking systems, alternators, starters, distributors and steering racks	18 August 2008 to 18 August 2028	Registered

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Issuing authority	Class / Description of trademark	Validity period	Status
3.	TSA Industries		08016440	MyIPO	Class 37 – Advisory services relating to the repair and maintenance of spare parts and components for motor vehicles; arranging for the repair of spare parts and components for motor vehicles; service centre for motor vehicle’s spare parts and components repair; inspection of spare parts and components for motor vehicles prior to repair; maintenance and repair of spare parts and components for motor vehicles; provision of information relating to the repair of spare parts and components for motor vehicles; service stations for the repair of spare parts and components for motor vehicles; motor vehicle’s spare parts and components breakdown repair services	18 August 2008 to 18 August 2028	Registered
4.	TSA Industries		08016443	MyIPO	Class 35 – Procurement, sales and distribution of all kind of industrial and hardware goods; sales and distribution of spare parts and accessories for vehicle; sales and distribution of turbo charges; air compressors, air braking systems, alternators, starters, distributors and steering racks	18 August 2008 to 18 August 2028	Registered
5.	TSA Industries		07009885	MyIPO	Class 6 – Pipes and fittings made out of stainless steel; tubes and fittings made out of stainless steel; stainless steel ornamental tubes and pipes; square tubes, rectangular tubes; square pipes; rectangular pipes	28 May 2007 to 28 May 2027	Registered

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Issuing authority	Class / Description of trademark	Validity period	Status
6.	TSA Industries		185749 ⁽¹⁾	National Intellectual Property Office of Sri Lanka	Class 6 – Pipes and fittings made out of stainless steel; tubes and fittings made out of stainless steel; stainless steel ornamental tubes and pipes; square tubes, rectangular tubes; square pipes; rectangular pipes	30 December 2013 to 30 December 2023 ⁽²⁾	Registered

Notes:

- (1) TSA Industries had registered the “TSS” mark for its ornamental pipes sold in Sri Lanka to safeguard its legal ownership over the “TSS” brand and prevent other traders from using or attempting to use its brand in Sri Lanka without permission.
- (2) TSA Industries has submitted the application for renewal of registration of the “TSS” mark to the National Intellectual Property Office of Sri Lanka. As at the LPD, the renewal application is being processed and pending issuance of the trademark renewal certificate.

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7. BUSINESS OVERVIEW (Cont'd)

7.24 PROPERTIES, PLANT AND EQUIPMENT

7.24.1 Properties owned by our Group

A summary of the material land and buildings owned by our Group for our operations as at the LPD is as follows:

No.	Title details / Postal address	Registered owner	Description / Existing use	Category of land use / Tenure	Express conditions / Restriction in interest	Existing Encumbrances	Land area / Built-up area (approximate) (sq. ft.)	Date issuance of CF / CCC	NBV as at 31 August 2023 (RM'000)
1.	Title: Geran 47690, Lot 3998, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor Postal address: Lot 3998, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan	Mitra Bintang	Description: Industrial premises comprising a single storey factory annexed with a three (3)- storey office building, single storey warehouse and ancillary buildings Existing use: Group head office, warehouse, processing of stainless steel plates and	Category of land use: Industrial Tenure: Freehold	Express conditions: Medium-sized Industry Restriction in interest: Nil	Lien-holder's caveat by United Overseas Bank (Malaysia) Bhd vide Presentation No. 45607/2011 registered on 5 September 2011	Land Area: 218,077 Built-up Area: 147,072	3 March 2008 and 15 September 2022	18,503

7. BUSINESS OVERVIEW (Cont'd)

No.	Title details / Postal address	Registered owner	Description / Existing use	Category of land use / Tenure	Express conditions / Restriction in interest	Existing Encumbrances	Land area / Built-up area (approximate) (sq. ft.)	Date issuance of CF / CCC	NBV as at 31 August 2023 (RM'000)
2.	Title: H.S.(D) 37423, PT 1125, Mukim Ulu Semenyih, Daerah Ulu Langat, Negeri Selangor Postal address: PT 1125, Jalan Villaraya 1/8, Kawasan Perindustrian Villaraya, Mukim Hulu Semenyih, Daerah Hulu Langat, Selangor Darul Ehsan ⁽¹⁾	TSA Industries	manufacturing of pipes Vacant land ⁽¹⁾	Category of land use: Industrial Tenure: 99 years expiring on 7 August 2093 (remaining tenure 70 years)	Express condition: Industrial Restriction in interest: This land cannot be transferred, leased or charged without the consent of the State Authority ⁽²⁾ .	First party first legal charge in favour of Hong Leong Bank Berhad vide Presentation No. 55425/2023 registered on 26 June 2023	Land Area: 435,615	N/A ⁽¹⁾	12,899

Notes:

- (1) Construction work for the Semenyih Manufacturing Premises is expected to commence in the third quarter of 2024 and is expected to be completed in the first quarter of 2026. The construction of the Semenyih Manufacturing Premises is part of our business expansion plans to establish a stainless steel cold rolling line. Please refer to Section 7.21 of this Prospectus for further details on the Semenyih Manufacturing Premises.
- (2) The consent of the State Authority was obtained on 30 June 2022 prior to the transfer of the Semenyih Land to TSA Industries on 20 September 2022. TSA Industries completed the acquisition of the Semenyih Land on 7 October 2022.

7. BUSINESS OVERVIEW (Cont'd)

7.24.2 Properties rented by our Group

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

No.	Tenant	Landlord	Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum (RM)
1.	TSA Industries	Wong Yoon Nyan	No. 23, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor Darul Ehsan	Description: A one and a half (1½)-storey corner lot terraced factory Existing use: Sales office and warehouse	1 January 2022 to 31 December 2023 ⁽¹⁾	5,890	10 January 1998	54,000.00
2.	TSA Industries	RSR Machinery Sdn Bhd	PT 232041, Jalan Zarib 9, Kawasan Perindustrian Zarib, 31500 Lahat, Perak ⁽²⁾	Description: A single storey open-sided warehouse annexed with double storey office Existing use: Sales office and warehouse	1 February 2023 to 28 February 2025	12,580	14 December 2012	120,000.00
3.	TSA Industries	JYM Engineering Sdn Bhd	No. 22 & 24, Jalan Gemilang 7, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor ⁽³⁾	Description: Two (2) adjoining units of one and a half (1½)-storey semi-detached factory	1 July 2021 to 30 June 2024	12,792	14 February 2018	158,400.00

7. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Landlord	Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum (RM)
				Existing use: Sales office and warehouse				
4.	TSA Industries	Lim Kah Hoe	No. 2, Jalan TJ 1/4, Kawasan Perindustrian Tuanku Jaafar, 71450 Seremban, Negeri Sembilan ⁽⁴⁾	Description: A corner unit of one and a half (1½)-storey semi-detached factory Existing use: Sales office and warehouse	1 October 2023 to 30 September 2026	4,006	23 March 2015	60,720.00
5.	TSA Industries	Tai Hin & Son (PG) Sdn Bhd	2410, Jalan Perusahaan, Kawasan Perusahaan Perai, 13600 Perai, Pulau Pinang ⁽⁵⁾	Description: A single storey warehouse annexed with a single storey office building forming part of an industrial complex Existing use: Sales office and warehouse	1 November 2021 to 31 October 2024	5,200	6 October 1993	180,000.00
6.	TSA Industries	Hotrade Sdn Bhd	Lot 3695A, Block 6, KBLD, Permyjaya Technology Park, Bandar Baru	Description: Part of a one and a half (1½)-storey detached industrial building	1 September 2020 to 31 August 2025	9,849	23 July 2015	90,000.00

7. BUSINESS OVERVIEW (Cont'd)

No.	Tenant	Landlord	Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum (RM)
			Permyjaya, 98000 Miri, Sarawak ⁽⁶⁾	Existing use: Sales office and warehouse				
7.	TSA Industries	Fung Nyen Sen	CL 015028430, Building No. 125G, Block E1, Jalan Tuaran By-Pass, 88450 Kota Kinabalu, Sabah ⁽⁷⁾	Description: A single storey warehouse with office Existing use: Sales office and warehouse	1 January 2023 to 31 December 2024	4,069	21 January 2021	72,000.00
8.	TSA Industries	Selangor State Government	3411, Lot 32479, Jalan 6/2A, Taman Industri Selesa Jaya, 43300 Balakong, Selangor	Description: A single storey open warehouse Existing use: Storage	25 August 2020 to 24 August 2041	15,963	N/A ⁽⁸⁾	17,999.14
9.	TSA Singapore	JTC Corporation	TIMMAC @ Kranji Unit #03-10,30 Kranji Loop, Singapore 739570	Description: A single storey warehouse and office with two (2) mezzanine floors Existing use: Sales office and warehouse	4 June 2023 to 3 June 2026	15,272	14 June 2022 ⁽⁹⁾	SGD268,329

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) TSA Industries has renewed the tenancy for another 1 year commencing from 1 January 2024 to 31 December 2024 at an annual rental of RM72,000.
- (2) The property located at No. 2, Persiaran Perusahaan Kledang Utara 1/2, Kawasan Perindustrian Negara Jaya, 31450 Ipoh, Perak previously rented and occupied by TSA Industries contained unapproved extension of approximately 20,412 sq. ft. and CF/CCC was not obtained in respect of the unapproved extension, which was in contravention of the SDBA 1974.

As part of the remedial steps taken by our Group to rectify the non-compliance above, TSA Industries had, on 20 February 2023, relocated to this new rented property for use as sales office and warehouse. This new rented property has the requisite CCC and does not have any unapproved extension.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the SDBA 1974.

- (3) There was an unapproved extension of approximately 4,908 sq. ft. at this rented property and CF/CCC was not obtained in respect of this unapproved extension, which was in contravention of the SDBA 1974.

As at the LPD, the unapproved extension area had been demolished by TSA Industries as part of the remedial steps taken by our Group to rectify the non-compliance above.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the SDBA 1974.

- (4) There was an unapproved extension of approximately 4,315 sq. ft. at this rented property and CF/CCC was not obtained in respect of this unapproved extension, which was in contravention of the SDBA 1974.

As at the LPD, the unapproved extension area had been demolished by TSA Industries as part of the remedial steps taken by our Group to rectify the non-compliance above.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the SDBA 1974.

- (5) There was an unapproved extension of approximately 4,630 sq. ft. at this rented property and CF/CCC was not obtained in respect of this unapproved extension, which was in contravention of the SDBA 1974.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, the unapproved extension area had been demolished by TSA Industries as part of the remedial steps taken by our Group to rectify the non-compliance above.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the SDBA 1974.

- (6) There was an unapproved extension of approximately 4,612 sq. ft. at this rented property and occupation permit was not obtained in respect of this unapproved extension, which was in contravention of the Sarawak Ordinance.

As at the LPD, the unapproved extension area had been demolished by TSA Industries as part of the remedial steps taken by our Group to rectify the non-compliance above.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the Sarawak Ordinance.

- (7) The property located at Lot No. 6, Lorong Kumbang, Sinar Light Industrial, 88450 Kota Kinabalu, Sabah previously rented and occupied by TSA Industries contained unapproved extension of approximately 1,580 sq. ft. and occupation certificate was not obtained in respect of the unapproved extension, which was in contravention of the Kota Kinabalu By-laws.

As part of the remedial steps taken by our Group to rectify the non-compliance above, TSA Industries had, on 17 February 2023, relocated to this new rented property for use as sales office and warehouse. This new rented property has the requisite occupation certificate and does not have any unapproved extension.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the non-compliance above which has since been rectified. Please refer to Sections 7.26.1 and 9.1.12 of this Prospectus for the consequences of non-compliance with the Kota Kinabalu By-laws.

- (8) TSA Industries had, on 4 November 2022, obtained the temporary building permit which is valid until 31 December 2025.
- (9) On 17 March 2023, TSA Singapore was notified by the landlord that the temporary occupation permit for the building has been issued on 14 June 2022. Pending the issuance of the certificate of statutory completion to be obtained by the landlord, TSA Singapore is permitted to occupy the building in reliance on the temporary occupation permit in accordance with the Building Control Act 1989 of Singapore.

7. BUSINESS OVERVIEW (Cont'd)

7.25 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS / FINANCIAL CONTRACTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES

Save for the major licences in Section 7.22 of this Prospectus, registered trademarks and intellectual property rights in Section 7.23 of this Prospectus, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD.

7.26 GOVERNING LAWS AND REGULATIONS

7.26.1 Malaysia

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group's business operations in Malaysia, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

(i) ICA 1975

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Manufacturing companies with shareholders' funds of RM2.50 million and above or that employ 75 or more full-time paid employees are required to apply for a manufacturing licence.

Failure to comply with Section 3(1) of the ICA 1975 is an offence and on conviction, the offender is liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues. We had in the past, experienced non-compliance with Section 3(1) of the ICA 1975, which has since been rectified. Please refer to Notes (1) and (2) in Section 7.22 of this Prospectus for further details. The potential maximum financial penalty that our Group may be subject to in respect of each past non-compliance is a fine not exceeding RM2,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliance. While our Board recognises that our Group may still be subject to potential penalty or fine under the ICA 1975 for the past non-compliance, our Board believes that the likelihood of such penalty or fine is low as the manufacturing licence has been issued by MITI to our subsidiary, TSA Industries.

Pursuant to Section 19(1) of the ICA 1975, where an offence under the ICA 1975 or any rule made thereunder has been committed by a person or a manufacturer being a company, partnership or body of persons, any person who at the time of the commission of the offence was a director, manager or other officer serving in a managerial capacity or was a partner of the company, partnership or body of persons or purported to act in any such capacity shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge, consent and connivance and that he had exercised all necessary diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and all the prevailing circumstances.

As at the LPD, TSA Industries holds a manufacturing licence issued by MITI. The manufacturing licence is valid unless revoked by MITI. Please refer to Section 7.22 of this Prospectus for further details of the manufacturing licence.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Local Government Act 1976 (“LGA 1976”)

Under the LGA 1976 and the by-laws of the respective local councils and authorities, our business operation premises are required to have business and signboard/advertising licences, display the licences at the business premises, and produce the licences upon request.

Pursuant to the LGA 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding six (6) months or both.

Pursuant to the Licensing of Trades, Businesses and Industries (Johor Bahru City Council) By-Laws 2016, any person using any place or premise in the local area of the Johor Bahru City Council for any activity of trade, business and industry without a valid licence commits an offence and may, upon conviction, be fined not exceeding RM2,000 or imprisonment for a term not exceeding one year or both. We had in the past, experienced non-compliance with the Licensing of Trades, Businesses and Industries (Johor Bahru City Council) By-Laws 2016, which has since been rectified. Please refer to Note (5) in Section 7.22 of this Prospectus for further details. The potential maximum financial penalty that our Group may be subject to in respect of the past non-compliance is a fine not exceeding RM2,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliance. While our Board recognises that our Group may still be subject to potential penalty or fine under the Licensing of Trades, Businesses and Industries (Johor Bahru City Council) By-Laws 2016 for the past non-compliance, our Board believes that the likelihood of such penalty or fine is low as the business licence has been issued by the Johor Bahru City Council to our subsidiary, TSA Industries.

As at the LPD, our Group holds and maintains valid business licences issued by Kajang Municipal Council, Ipoh City Council, Seremban City Council, Seberang Perai City Council, Johor Bahru City Council, Kota Kinabalu City Hall and Sarawak Government respectively. Please refer to Section 7.22 of this Prospectus for further details of the business licences.

(iii) SDBA 1974 and Uniform Building By-Laws 1984 (“UBBL 1984”)

In the course of our business operations, we are required to ensure that the properties owned or rented by our Group for our business operations comply with the SDBA 1974, UBBL 1984 and the relevant by-laws issued pursuant thereto which regulate, among others, the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings. The SDBA 1974 provides uniformity of law and policy with regard to local government matters relating to street, drainage and buildings in Peninsular Malaysia. It provides for the requirement to have a CF/CCC to ensure that the building is safe and fit for occupation. The UBBL 1984 is a subsidiary legislation made under the SDBA 1974.

7. BUSINESS OVERVIEW (Cont'd)

Pursuant to the SDBA 1974, prior written permission of the local authority is required among others for any partition, compartment, loft, roof, ceiling or other structures built in a building, any deviation from the any plans or specifications approved by the local authorities, or any alteration to a building otherwise than allowed by the local authority or by-laws made under the SDBA 1974. Failure to obtain the local authorities' prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted. Depending on the applicable provisions of the SDBA 1974 in breach, the maximum fines may range from RM25,000 to RM50,000 and additional daily fine of RM1,000 for continuing offences after conviction, and the maximum imprisonment term may be up to three (3) years. The SDBA 1974 also stipulates that any person who occupies or permits to be occupied any building or any part of a building without a CF/CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding ten (10) years or both.

We had in the past, experienced non-compliances with the SDBA 1974 in relation to properties which were rented by our Group, which have since been rectified. Please refer to Notes (1) to (4) in Section 7.24.2 of this Prospectus for further details. Depending on the applicable provisions of the SDBA 1974 that our Group was in breach of, the potential maximum financial penalty that our Group may be subject to is a fine not exceeding RM50,000 in respect of each of the unapproved extensions built by our Group. Further, the potential maximum financial penalty that our Group may be subject to for occupying each of the buildings or any part thereof without a CF/CCC is a fine not exceeding RM250,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliances. While our Board recognises that our Group may still be subject to potential penalty or fine under the SDBA 1974 for the past non-compliances, our Board believes that the likelihood of such penalty or fine is low as we have relocated to a new rented property in Ipoh with the requisite CCC and we have demolished the unapproved extension areas in our rented properties in Seremban, Seberang Perai and Johor Bahru.

As at the LPD, all properties rented by our Group in Peninsular Malaysia have valid CF/CCC. Please refer to Section 7.24.2 of this Prospectus for further details.

(iv) Sarawak Ordinance

In the course of our business operations, we are required to ensure that the property rented by our Group for our business operations in Sarawak comply with the Sarawak Ordinance and the by-laws contained therein which regulate, amongst others, the occupation of buildings. The Sarawak Ordinance provides uniformity of law and policy with regard to matters relating to buildings in Sarawak. It provides for the requirement to have an occupation permit to ensure that the building is safe and fit for occupation.

Pursuant to the Sarawak Ordinance, prior written permission of the local authority is required among others for any partition, compartment, gallery, loft, roof, ceiling or other structures built in a building, any deviation from any plans or specifications approved by the local authority, or any alteration to a building otherwise than allowed by the local authority or the Sarawak Ordinance. Failure to obtain the local authority's prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted.

7. BUSINESS OVERVIEW (Cont'd)

Depending on the applicable provisions of the Sarawak Ordinance in breach, the maximum fines may range from RM1,000 to RM2,000 and additional daily fine of RM200 for continuing offences after a notice requiring the person to comply with the provisions has been served on such person, and, in the case of a continuing offence, the maximum imprisonment term may be up to 1 year. The Sarawak Ordinance also stipulates that any person who occupies or permits to be occupied any building or any part thereof without an occupation permit, a partial occupation permit or a temporary occupation permit shall be guilty of an offence, and liable to a fine of not exceeding RM10,000 and, in the case of a continuing offence to a further fine not exceeding RM300 per day during which the offence is continued after notice to cease occupying the building has been issued on such person.

We had in the past, experienced non-compliance with the Sarawak Ordinance in relation to properties which were rented by our Group, which has since been rectified. Please refer to Note (5) in Section 7.24.2 of this Prospectus for further details. The potential maximum financial penalty that our Group may be subject to for occupying the building or any part thereof without an occupation permit is a fine not exceeding RM10,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliance. While our Board recognises that our Group may still be subject to potential penalty or fine under the Sarawak Ordinance for the past non-compliance, our Board believes that the likelihood of such penalty or fine is low as we have demolished the unapproved extension area in our rented property in Miri.

As at the LPD, the property rented by our Group in Miri has valid occupation permit. Please refer to Section 7.24.2 of this Prospectus for further details.

(v) Kota Kinabalu By-laws

In the course of our business operations, we are required to ensure that the property rented by our Group for our business operations in Sabah comply with the Kota Kinabalu By-laws which regulates, among others, the occupation of buildings in the Kota Kinabalu Municipal area. It provides for the requirement to have an occupation certificate to ensure that the building is safe and fit for occupation.

Pursuant to the Kota Kinabalu By-laws, any person who fails to obtain the relevant local authority's written permission to re-erect, add to or alter any existing building shall on conviction be liable to a fine not exceeding RM5,000 and in the case of a continuing offence shall be liable to a fine not exceeding RM100 for every day during which such offence is continued, and if so required by the relevant local authority, demolish and remove the building within 7 days of receipt of a written order. The Kota Kinabalu By-laws also stipulates any person who occupies or permits to be occupied any building or any part thereof without an occupation certificate, a partial occupation certificate or a temporary occupation certificate shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM5,000 and, in the case of a continuing offence shall be liable to a fine not exceeding RM100 for every day during which such offence is continued.

We had in the past, experienced non-compliance with the Kota Kinabalu By-Laws in relation to properties which were rented by our Group, which has since been rectified. Please refer to Note (6) in Section 7.24.2 of this Prospectus for further details. The potential maximum financial penalty that our Group may be subject to is a fine not exceeding RM5,000 in respect of the unapproved extension built by our Group. Further, the potential maximum financial penalty

7. BUSINESS OVERVIEW (Cont'd)

that our Group may be subject to for occupying the building or any part thereof without an occupation certificate is a fine not exceeding RM5,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliance. While our Board recognises that our Group may still be subject to potential penalty or fine under the Kota Kinabalu By-Laws for the past non-compliance, our Board believes that the likelihood of such penalty or fine is low as we have relocated to a new rented property in Kota Kinabalu with the requisite occupation certificate.

As at the LPD, the property rented by our Group in Kota Kinabalu has valid occupation certificate. Please refer to Section 7.24.2 of this Prospectus for further details.

(vi) FMA 1967

The FMA 1967 and the relevant regulations made thereunder, including the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 provide for the control of factories with respect to matters relating to the safety, health and welfare of person, including the registration and inspection of machinery.

Pursuant to Sections 19(1) and (6) of the FMA 1967, any person operating any hoisting machine (other than a hoisting machine driven by manual power) without a valid certificate of fitness shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding three (3) years or both.

We had in the past, experienced non-compliance with the FMA 1967 as our subsidiary, TSA Industries, had operated hoisting machines for its business operations without a valid certificate of fitness. These hoisting machines were purchased by TSA Industries over a period between 2003 and 2022. TSA Industries had not applied for certificate of fitness for these hoisting machines because it was not aware of the legal requirement for certification of its hoisting machines. TSA Industries had applied for the necessary certificate of fitness for all its 20 hoisting machines, which it operates immediately after it became aware of such requirement for certification. On 10 January 2023, TSA Industries had obtained the certificate of fitness issued by DOSH for all hoisting machines in use. The potential maximum financial penalty that our Group may be subject to in respect of each past non-compliance is a fine not exceeding RM150,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities. While our Board recognises that our Group may still be subject to potential penalty or fine under the FMA 1967 for the past non-compliance, our Board believes that the likelihood of such penalty or fine is low as the certificate of fitness has been issued by DOSH for all hoisting machines in use.

For further information, the Factories and Machinery (Repeal) Act 2022 (“**FMRA 2022**”) was enacted to repeal the FMA 1967. The FMRA 2022 received Royal Assent on 4 March 2022 and was gazetted on 16 March 2022. As at the LPD, the FMRA 2022 has not come into operation.

Pursuant to Section 4(1) of the FMRA 2022, any registration made, or order, notice, direction, written authority, approval, certificate of fitness, special scheme of inspection or certificate of competency given or issued, under the FMA 1967 shall, on the coming into operation of the FMRA 2022, be dealt with under the OSHA 1994.

7. BUSINESS OVERVIEW (Cont'd)

(vii) OSHA 1994

The OSHA 1994 provides provisions for securing the safety, health and welfare of persons at work, protecting others against risk to safety or health in connection with the activities of persons at work. The OSHA 1994 applies throughout Malaysia to the industries specified in the OSHA 1994, which includes the manufacturing industry.

The OSHA 1994 provides that it is the duty of every employer to ensure the safety, health and welfare at work of all his employees, so far as is practicable, in particular:

- (a) the provision and maintenance of plant and systems of work that are safe and without risks to health;
- (b) the making of arrangements for ensuring safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction training and supervision as is necessary to ensure the safety and health at work of his employees;
- (d) as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (e) the provision and maintenance of a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work.

Non-compliance of the above will result in an offence and on conviction would constitute to a fine not exceeding RM50,000 and/or to imprisonment for a term not exceeding two (2) years.

Our subsidiary, TSA Industries, has formulated a Health, Safety & Environmental Policy. A safety and health committee has been established and a safety and health officer has been appointed to monitor the safety and health related matters of TSA Industries.

For further information, similar to the FMRA 2022, the Occupational Safety and Health (Amendment) Act 2022 (“**OSHAA 2022**”) received Royal Assent on 4 March 2022 and was gazetted on 16 March 2022. As at the LPD, the OSHAA 2022 has not come into operation.

Upon the OSHAA 2022 coming into operation, an employer who fails to ensure the safety, health and welfare at work of all his employees shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 and/or to imprisonment for a term not exceeding two (2) years.

(viii) EMSHAA 1990

Pursuant to the EMSHAA 1990 and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020, employers must comply with the EMSHAA 1990, which includes providing minimum space requirement for workers' accommodation, basic facilities as well as safety and hygiene standards.

7. BUSINESS OVERVIEW (Cont'd)

The EMShAA 1990 further provides that no employer or centralized accommodation provider shall use any buildings as accommodation if the building is unfit for human habitation in accordance with the relevant written laws. The employer or centralized accommodation provider shall ensure that every accommodation provided for employees complies with the minimum standards required under EMShAA 1990 or any regulations made thereunder.

Pursuant to the EMShAA 1990, no accommodation shall be provided to an employee unless certified with a certificate for accommodation. EMShAA 1990 provides that an employer who contravenes the EMShAA 1990 commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

We had in the past, experienced non-compliance with the EMShAA 1990 as 6 of our foreign workers' accommodations previously did not have a certificate for accommodation. As at the LPD, all our foreign workers' accommodations have valid certificate for accommodation issued by the Department of Labour Peninsular Malaysia. The potential maximum financial penalty that our Group may be subject to in respect of each past non-compliance is a fine not exceeding RM50,000.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities. While our Board recognises that our Group may still be subject to potential fine under the EMShAA 1990 for the past non-compliance, our Board believes that the likelihood of such fine is low as the certificate for accommodation has been issued by the Department of Labour Peninsular Malaysia for the 6 foreign workers' accommodations.

(ix) CIDB Act

Under the CIDB Act, a person shall not deal or undertake to deal, whether directly or indirectly, with the construction materials specified in the Fourth Schedule of the CIDB Act which include, amongst others, certain specifications of iron and steel products unless the construction materials have been certified by CIDB. Any person who deals or undertakes to deal with such construction materials without the certification of CIDB shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM500,000.

Our subsidiary, TSA Industries, has been issued with the Certification of Standards Compliance (Building Materials) by CIDB for iron and steel products – welded stainless steel mechanical tubing. Please refer to Section 7.22 of this Prospectus for further details of the certification.

(x) Land Public Transport Act 2010 (“LPTA 2010”)

Pursuant to Section 51(1) of the LPTA 2010, no person can operate or provide a goods vehicle service using a class of goods vehicles for the carriage of goods, for hire or reward, or for or in connection with any trade or business, unless he holds an operator's licence. Under the LPTA 2010, a person is deemed to be operating or providing goods vehicle service if he uses or drives a goods vehicle himself, or employs one or more persons to use or drive a goods vehicle, to operate or provide a goods vehicle service, and he owns the said goods vehicle, or he is responsible, under any form of arrangement with the owner or lessor of the said goods vehicle to manage, maintain or operate such goods vehicle.

7. BUSINESS OVERVIEW (Cont'd)

Section 51(7) of the LPTA 2010 provides that a company or corporation which contravenes Section 51(1) commits an offence, and shall, on conviction, be liable to a fine not exceeding RM200,000. Section 51(6) of the LPTA 2010 further provides a person, other than a company or corporation, who contravenes Section 51(1) commits an offence and shall, on conviction, be liable to a fine not less than RM2,000 but not more than RM10,000 or to imprisonment for a term not exceeding 1 year or to both.

Our subsidiary, TSA Industries, has obtained the Carrier 'A' Operator's Licence for carrying goods for hire or reward for or in connection with any trade or business carried on in Peninsular Malaysia and Carrier 'C' Operator's Licence for carrying its own goods for or in connection with any trade or business carried on in Peninsular Malaysia. Please refer to Section 7.22 of this Prospectus for further details of the certification.

To prevent the recurrence of the past non-compliances as disclosed above and in Section 7.22 of this Prospectus, TSA Industries has assigned the administration department to monitor the registration, renewal as well as the compliance status of all licences, permits and certifications issued to TSA Industries and its Malaysian subsidiaries in a master listing. The administration department reports to the executive management committee comprising our Executive Directors and selected key senior management, which oversees the full compliance including the terms and conditions of the licences, permits and certifications issued to TSA Industries and its Malaysian subsidiaries. The executive management committee has also been tasked to ensure TSA Industries and its Malaysian subsidiaries stay up to date with industry regulations and guidelines in Malaysia.

7.26.2 Singapore

As at the LPD, TSA Singapore is not subject to any particular laws or regulations of Singapore other than those generally applicable to companies incorporated and/or operating in Singapore.

7.27 ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES OF OUR GROUP

Our Board takes cognisance of the sustainability governance as set out in the Listing Requirements in Relation to Sustainability Reporting Framework, Bursa Securities' Sustainability Reporting Guide (3rd Edition) and Malaysian Code on Corporate Governance 2021.

Our Group has adopted some Environment, Social and Governance ("ESG") practices in ensuring environmentally responsible operations, conducting business responsibly and providing conducive workplaces for employees. As at LPD, we have and will continuously emphasize on activities, processes and operations such as ensuring environmentally responsible operations, product quality, health and safety practices, training and education and conducive workplaces for employees, all of which are built on values that promote sustainability.

As at the LPD, we continue the effort to develop an overall Sustainability Framework while we have yet to develop a strategy exclusively for sustainability. We are committed to setting up an overall Sustainability Framework for the Group based on the following guidelines and standards;

- the Listing Requirements in relation to Sustainability Reporting Framework;
- Bursa Securities' Sustainability Reporting Guide (3rd Edition);
- Malaysian Code on Corporate Governance 2021;
- Global Reporting Initiative ("GRI") Standards; and
- United Nations Sustainable Development Goals ("UNSDG").

7. BUSINESS OVERVIEW (Cont'd)

In terms of implementing and managing Sustainability matters, we are and will focus on the following:

Environmental Practices:

- Sustainable Production: Implementing strategies to minimise waste generation during production processes.
- Environmental Stewardship: Designing and committing to environmental protection and stewardship, reducing risks and impacts on the environment in daily operations.
- Waste Management: Implementing approaches to ensure minimum consumable waste and proper consumable waste disposal methods.
- Regulatory Compliance: Evaluating and ensuring compliance with all relevant environmental regulatory and legal requirements.

Social Practices:

- Employee Health and Safety: Implementing and continuously ensuring a safe, healthy, and conducive work environment for all employees.
- Diversity and Inclusion: Developing and cultivating a diverse and inclusive culture that recognises and values individuality.
- Equal Opportunities: Implementing and developing measures to ensure equal access to opportunities regardless of age, gender, ethnicity, religion, national origin, disability, sexual orientation, or any other relevant characteristics.
- Eliminating Improper Conduct: Implementing measures to eliminate improper conduct and practices, including workplace bullying, discrimination, and harassment of any form.
- Empowerment and Growth: Nurturing and empowering employees by supporting personal and professional growth.
- Upholding Workers' Rights: Respecting and safeguarding fundamental workers' rights, including the elimination of child labour and forced labour.
- Community Engagement: Contributing to the wellbeing and development of the surrounding community through corporate social responsibility programs, employee volunteerism, and job creation.

Governance Practices:

- Ethical Business Practices: Maintaining high standards of business ethics, integrity, and corporate governance practices.
- Enhanced Corporate Governance: Establishing and continually improving appropriate governance structures and processes.
- Legal Compliance: Ensuring compliance with all applicable laws and regulations regarding corporate governance.
- Transparent Complaint Handling: Resolving verifiable complaints, grievances, and conflicts through an open, transparent, and consultative process.
- Robust Internal Controls: Enforcing policies and procedures to guarantee the sufficiency and integrity of the Group's internal control system.