

**NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF WENDEL ENGINEERING HOLDINGS BERHAD (“WENDEL ENGINEERING” OR “COMPANY”) DATED 15 JANUARY 2024 (“ELECTRONIC PROSPECTUS”)**

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

**Website**

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

**Availability and Location of Paper / Printed Prospectus**

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, TA Securities or Tricor Investor & 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 the distribution of the Electronic Prospectus are subject to Malaysian law. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent named in the Prospectus have not authorised anyone 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. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or 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 applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

**Close of Application**

Applications will be accepted from **10.00 a.m. on 15 January 2024** and will close at **5.00 p.m. on 22 January 2024**. Any change to the timetable will be advertised by the Company in a widely circulated Bahasa Malaysia and English newspaper within Malaysia, and an announcement of such changes would be made to the Website accordingly.

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.



[www.wenteleng.com](http://www.wenteleng.com)



**Engineering**

**WENTEL ENGINEERING HOLDINGS BERHAD**  
 (Registration No. 202301007290 (1501211-T))  
 (Incorporated in Malaysia under the Companies Act 2016)

NO. 11, JALAN GAGAH,  
 KAWASAN PERINDUSTRIAN LARKIN,  
 80350 JOHOR BAHRU,  
 JOHOR, MALAYSIA

TEL: +607 2381128 FAX: +607 2380688

WENTEL ENGINEERING HOLDINGS BERHAD (Registration No. 202301007290 (1501211-T))

**PROSPECTUS**



**Engineering**

**WENTEL ENGINEERING HOLDINGS BERHAD**  
 (Registration No. 202301007290 (1501211-T))  
 (Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF WENTEL ENGINEERING HOLDINGS BERHAD ("WENTEL ENGINEERING" OR "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) PUBLIC ISSUE OF 273,200,000 NEW ORDINARY SHARES IN WENTEL ENGINEERING ("SHARES") ("ISSUE SHARES") IN THE FOLLOWING MANNER:
  - (A) 57,500,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
  - (B) 33,000,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND OTHER PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF WENTEL ENGINEERING AND OUR SUBSIDIARIES;
  - (C) 38,950,000 ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
  - (D) 143,750,000 ISSUE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
- (II) OFFER FOR SALE OF 46,000,000 EXISTING SHARES ("OFFER SHARES") BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.26 PER ISSUE SHARE / OFFER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent

**TA SECURITIES**

AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**  
 (Registration No. 197301001467 (14948-M))  
 (A Participating Organisation of Bursa Malaysia Securities Berhad)

# PROSPECTUS

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

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 184.

BURSA SECURITIES HAS APPROVED OUR IPO. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO AND 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 DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**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 ("SC") UNDER SECTION 212(B) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA").**

THIS PROSPECTUS IS DATED 15 JANUARY 2024

*All defined terms used in this Prospectus are defined under the "Definitions" section commencing from page x of this Prospectus.*

### **RESPONSIBILITY STATEMENTS**

Our Directors, Promoters and Offerors 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 there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

TA Securities, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, 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 the offering.

### **STATEMENTS OF DISCLAIMER**

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

Bursa Securities is not liable for any non-disclosure on the part of our 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.

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

### **OTHER STATEMENTS**

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to 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.

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC based on our audited combined financial statements for the financial year ended 31 December 2022 and pro forma statements of financial position as at 31 December 2022. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

This Prospectus is prepared and published solely for our IPO under the laws of Malaysia. Our Shares are issued and offered in Malaysia solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation which is not contained in this Prospectus. Any information or representation not contained herein this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent, any of their representative directors, or any other persons involved in our IPO.

This Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia.

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.

It shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of any countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

Further, it shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your professional adviser as to whether your application for our IPO 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 any 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.

However, we reserve the right, in our absolute discretion, to treat any acceptances 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](http://www.bursamalaysia.com). The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application is subject to the risk 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. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Principal Adviser or our Issuing House, 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 are identical to the copy of the Prospectus registered with 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 with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our 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 your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost 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 system or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of the 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. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and subsequently 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 the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or 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 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 indicative timing of events leading to our Listing are as set out below:

<b>Events</b>	<b>Tentative Dates</b>
Issuance of this Prospectus / Opening of the application period for our IPO	15 January 2024
Closing of the application period for our IPO	22 January 2024
Balloting of the Applications	24 January 2024
Allotment / Transfer of our IPO Shares to successful applicants	2 February 2024
Listing on the ACE Market	6 February 2024

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

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## **PRESENTATION OF INFORMATION**

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Any references to “Wentel Engineering” or “our Company” in this Prospectus are to Wentel Engineering Holdings Berhad, while references to “Wentel Group” or “our Group” are to our Company and our Subsidiaries (as defined herein). 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 Director and our Key Senior Management personnel 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. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia, and references 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 hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.

Any reference to dates and times in this Prospectus are references 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) amendment or re-enactment to 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 to which we are exposed. 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.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview Report prepared by Vital Factor (as defined in this Prospectus), the independent business and market research consultants. We have appointed Vital Factor to provide an independent market and industry review. In compiling its data for the review, Vital Factor had relied on research methodology, industry sources, published materials, its own private databases and direct contacts within the industry. We believe that the information on the industry and other statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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## **FORWARD-LOOKING STATEMENTS**

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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, prospects, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance.

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

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

- (i) our future overall business development and operations;
- (ii) our future financial position, earnings, cash flows and liquidity;
- (iii) our business strategies, trends and competitive position and the effect of such competition;
- (iv) our plans and objectives for future operations;
- (v) our ability to pay future dividends; and
- (vi) the general industry environment, including the demand and supply for our services.

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

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

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed in the “Risk Factors” section and the “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” section of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

Should we become aware of any subsequent material change or development affecting any matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment / transfer 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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## **DEFINITIONS**

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

### **COMPANIES WITHIN OUR GROUP**

<b>Subsidiaries</b>	: WESB and WEPL, collectively
<b>Wentel Engineering or our Company</b>	: Wentel Engineering Holdings Berhad (Registration No. 202301007290 (1501211-T))
<b>Wentel Engineering Group or our Group</b>	: Wentel Engineering and our Subsidiaries, collectively
<b>WEPL</b>	: Wentel Engineering Pte Ltd (Registration No. 200808791E) (formerly known as Wentel Corporation Pte Ltd), a private limited company incorporated in Singapore and a wholly-owned subsidiary of Wentel Engineering
<b>WESB</b>	: Wentel Engineering Sdn Bhd (Registration No. 200001029819 (532426-A)), a private limited company incorporated in Malaysia and a wholly-owned subsidiary of Wentel Engineering

### **GENERAL**

<b>5E Resources</b>	: 5E Resources Sdn Bhd (Registration No. 200601022459 (742213-K))
<b>ACE Market</b>	: ACE Market of Bursa Securities
<b>Acquisition of WEPL</b>	: The acquisition by Wentel Engineering of the entire issued share capital of WEPL comprising 100,000 ordinary shares for a purchase consideration of RM3,052,000 satisfied wholly by the issuance of 30,520,000 new Shares at an issue price of RM0.10 each, which was completed on 15 September 2023
<b>Acquisition of WESB</b>	: The acquisition by Wentel Engineering of the entire issued share capital of WESB comprising 1,000,000 ordinary shares for a purchase consideration of RM84,627,900 satisfied wholly by the issuance of 846,279,000 new Shares at an issue price of RM0.10 each, which was completed on 15 September 2023
<b>Acquisitions</b>	: Comprising the Acquisition of WESB and Acquisition of WEPL
<b>Act</b>	: Companies Act 2016, as may be amended from time to time
<b>ADA</b>	: Authorised Depository Agent
<b>AGM</b>	: Annual General Meeting
<b>Application</b>	: The application for the Issue Shares by way of Application Form, the Electronic Share Application and/or the Internet Share Application
<b>Application Form</b>	: The printed application form for the application of the Issue Shares
<b>ATM</b>	: Automated teller machine
<b>Authorised Financial Institution</b>	: Authorised financial institution participating in the Internet Share Application with respect to payments for our Issue Shares made available for application under the Public Issue

**DEFINITIONS (CONT'D)**

<b>BNM</b>	:	Bank Negara Malaysia or the Central Bank of Malaysia
<b>Board</b>	:	Board of Directors of our Company
<b>Bursa Depository or Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>CA of Singapore</b>	:	Companies Act 1967 of Singapore
<b>CAGR</b>	:	Compound annual growth rate
<b>CDS</b>	:	Central Depository System
<b>CDS Account</b>	:	Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
<b>CF / CCC</b>	:	Certificate of fitness for occupation or certificate of completion and compliance or its equivalent issued by the local authorities or principal submitting person (whichever is applicable)
<b>CMSA</b>	:	Capital Markets and Services Act 2007, as may be amended from time to time
<b>Constitution</b>	:	Constitution of our Company, as may be amended from time to time
<b>COVID-19</b>	:	Coronavirus disease 2019, an infectious disease which is a global pandemic
<b>Denford</b>	:	Denford Pte Ltd (Registration No. 200802080C)
<b>Depositor</b>	:	A holder of a CDS Account
<b>Directors</b>	:	Directors of our Company and within the meaning given in Section 2 of the CMSA
<b>E&amp;E</b>	:	Electrical and electronic
<b>EBITDA</b>	:	Earnings before interest, taxation, depreciation and amortisation
<b>EIS</b>	:	Employment Insurance Scheme
<b>Electronic Prospectus</b>	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
<b>Electronic Share Application</b>	:	An application for the Issue Shares through a Participating Financial Institution's ATM
<b>Eligible Persons</b>	:	The eligible Directors and employees of our Group, and other persons who have contributed to the success of our Group, collectively
<b>EPF</b>	:	Employees Provident Fund
<b>EPS</b>	:	Earnings per Share

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**DEFINITIONS (CONT'D)**

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<b>FPE</b>	:	9-month financial period ended 30 September
<b>FYE</b>	:	Financial year ended / ending 31 December, as the case may be
<b>Government</b>	:	Government of Malaysia
<b>GP</b>	:	Gross profit
<b>HSE</b>	:	Health, safety and environment
<b>ICA 1975</b>	:	Industrial Co-Ordination Act 1975
<b>IFRS</b>	:	International Financial Reporting Standards, as issued by the International Accounting Standards Board
<b>IMR or Vital Factor</b>	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), the independent business and market research consultants appointed for our IPO
<b>Indirect Business Arrangement</b>	:	A business arrangement between WESB and Wencor from 2008 to 2021, where Wencor would obtain supply of WESB's products / services for onward supply to 2 customers, as further detailed in Section 7.2.4 of this Prospectus
<b>Industry Overview Report</b>	:	The Industry Overview Report prepared by Vital Factor as set out in Section 8 of this Prospectus
<b>Internet Participating Financial Institutions</b>	:	Participating financial institutions for the Internet Share Application, as listed in Section 16 of this Prospectus
<b>Internet Share Application</b>	:	An application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institutions
<b>IPO</b>	:	Initial public offering of the IPO Shares in conjunction with the listing and quotation of our entire enlarged issued share capital on the ACE Market of Bursa Securities
<b>IPO Price</b>	:	RM0.26 per IPO Share
<b>IPO Shares</b>	:	The Issue Shares and the Offer Shares, collectively
<b>Issue Shares</b>	:	273,200,000 new Shares to be issued by our Company pursuant to the Public Issue
<b>Issuing House or Share Registrar or TIH</b>	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
<b>Key Senior Management</b>	:	Chuah Chong Syn, Wong Chun Wei, Tai Yuan Heng, Yap Yew Wei and Lew Sia Ching, collectively
<b>Listing</b>	:	The admission of Wentel Engineering to the Official List and the listing and quotation of our entire enlarged issued share capital comprising 1,150,000,000 Shares on the ACE Market
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time

**DEFINITIONS (CONT'D)**

- Lot 11** : A leasehold land owned by Wencor consisting of a single storey detached factory with an annexed double storey office building bearing postal address No. 11, Jalan Gagah, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor held under title HSD 493793, PTB 21765, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor
- Lot 317** : An office and factory unit at Kawasan Perindustrian Pasir Gudang in Johor previously owned by WESB which was occupied for its business operations from 2005 to 2007
- Lot 58** : A leasehold land owned by Hap Huat Food Industries Sdn Bhd (Registration No. 197601003264 (29228-W)) consisting of a 2-storey detached factory with an annexed office bearing postal address No. 58, Jalan Langkasuka, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor held under title HSD 15314, PTB 10501, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor
- Lot 815** : A freehold industrial zoned land owned by WESB located at Kawasan Perindustrian Selatan, Johor Bahru, Johor held under title HSD 605719, PTD 204073 Mukim of Tebrau, District of Johor Bahru, State of Johor
- Lot 83** : A rented factory unit at Kawasan Perindustrian Pasir Gudang in Johor previously occupied by WESB for its business operations from 2001 to 2007
- Lot 879 & 881** : 25 pieces of adjoining freehold vacant industry land owned by WESB comprising 24 vacant semi-detached industry lots and 1 vacant detached industry lot held under Mukim Tebrau, District of Johor Bahru, State of Johor with the following title:
- (i) HSD 529923, PTD 172995
  - (ii) HSD 529924, PTD 172996
  - (iii) HSD 529928, PTD 173004
  - (iv) HSD 529929, PTD 173005
  - (v) HSD 529930, PTD 173006
  - (vi) HSD 529931, PTD 173007
  - (vii) HSD 529936, PTD 173012
  - (viii) HSD 529937, PTD 173013
  - (ix) HSD 529944, PTD 173023
  - (x) HSD 529946, PTD 173025
  - (xi) HSD 529925, PTD 172997
  - (xii) HSD 529926, PTD 172998
  - (xiii) HSD 529927, PTD 172999
  - (xiv) HSD 529932, PTD 173008
  - (xv) HSD 529933, PTD 173009
  - (xvi) HSD 529934, PTD 173010
  - (xvii) HSD 529935, PTD 173011
  - (xviii) HSD 529938, PTD 173014
  - (xix) HSD 529939, PTD 173015
  - (xx) HSD 529940, PTD 173016
  - (xxi) HSD 529941, PTD 173017
  - (xxii) HSD 529942, PTD 173018
  - (xxiii) HSD 529943, PTD 173019
  - (xxiv) HSD 529945, PTD 173024
  - (xxv) HSD 529947, PTD 173026

**DEFINITIONS (CONT'D)**

<b>LPD</b>	:	18 December 2023, being the latest practicable date prior to the issuance of this Prospectus
<b>Malaysian Public</b>	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	:	Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
<b>MBJB</b>	:	Majlis Bandaraya Johor Bahru
<b>MCCG</b>	:	Malaysian Code on Corporate Governance issued by the SC, as may be amended from time to time
<b>MCO</b>	:	Movement Control Order
<b>MFRS</b>	:	Malaysian Financial Reporting Standards, as issued by the Malaysian Accounting Standards Board
<b>MIDA</b>	:	Malaysian Investment Development Authority
<b>MITI</b>	:	Ministry of Investment, Trade and Industry of Malaysia
<b>N/A</b>	:	Not applicable or not available
<b>NA</b>	:	Net assets
<b>NBV</b>	:	Net book value
<b>NEC</b>	:	Not elsewhere classified
<b>New Manufacturing Plant</b>	:	2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel to be constructed on Lot 815, as further detailed in Section 4.8.1 of this Prospectus
<b>Nova Spectrum</b>	:	Nova Spectrum Pte Ltd (Registration No. 201606872K)
<b>Ocean Megaview</b>	:	Ocean Megaview Sdn Bhd (Registration No. 201201036987 (1021469-P)), a previous 33.00%-owned associate of WESB
<b>Offerors</b>	:	Wong Kim Fatt and Ban Kim Wah, being the offerors for the Offer for Sale
<b>Offer for Sale</b>	:	Offer for sale by the Offerors of the Offer Shares to selected investors by way of private placement at the IPO Price
<b>Offer Shares</b>	:	46,000,000 existing Shares to be offered by the Offerors pursuant to the Offer for Sale
<b>Official List</b>	:	A list specifying all securities which have been admitted for listing on, and which have not been removed from, the ACE Market of Bursa Securities
<b>Participating Financial Institutions</b>	:	Participating financial institutions for the Electronic Share Application, as listed in Section 16.5 of this Prospectus
<b>PAT</b>	:	Profit after taxation



**DEFINITIONS (CONT'D)**

<b>PBT</b>	:	Profit before taxation
<b>PE Multiple</b>	:	Price-to-earnings multiple
<b>Period Under Review</b>	:	FYE 2020, FYE 2021, FYE 2022 and FPE 2023, collectively
<b>Pink Form Allocation</b>	:	The allocation of the Pink Form Shares to the Eligible Persons
<b>Pink Form Shares</b>	:	33,000,000 Issue Shares made available for application by the Eligible Persons
<b>Promoters</b>	:	Wong Kim Fatt, Ban Kim Wah, Wong Chun Wei and Loo Sok Ching, collectively
<b>Prospectus</b>	:	This Prospectus dated 15 January 2024 in relation to our IPO
<b>Public Issue</b>	:	Public issue of 273,200,000 new Shares, representing 23.76% of our enlarged total number of 1,150,000,000 issued Shares upon Listing, at the IPO Price comprising: <ul style="list-style-type: none"> <li>(i) 57,500,000 Issue Shares made available for application by the Malaysian Public via balloting;</li> <li>(ii) 33,000,000 Issue Shares made available for application by the Eligible Persons;</li> <li>(iii) 38,950,000 Issue Shares made available by way of private placement to selected investors; and</li> <li>(iv) 143,750,000 Issue Shares made available by way of private placement to Bumiputera investors approved by the MITI</li> </ul>
<b>Rapiscan Group</b>	:	Refers to Rapiscan Systems Sdn Bhd (Registration No. 199601033365 (405717-W)), Rapiscan Laboratories, Inc. (a company incorporated and based in the United States) and OSI Optoelectronics Sdn Bhd (Registration No. 199401021990 (307669-T)), which are subsidiaries of OSI Systems, Inc., a company listed on the Nasdaq Global Select Market with headquarters in California, United States
<b>Resident Director</b>	:	A natural person who, among others, is a Singapore citizen or a Singapore permanent resident for the purpose of the Resident Director Requirement
<b>Resident Director Requirement</b>	:	The requirement for a company incorporated under the CA of Singapore to have at least one local resident director on its board of directors
<b>RIER</b>	:	Regulation of Imports and Exports Regulations of Singapore
<b>Rules</b>	:	Rules of Bursa Depository, as may be amended from time to time
<b>SAC</b>	:	Shariah Advisory Council of the SC
<b>SC</b>	:	Securities Commission Malaysia
<b>SICDA or Central Depositories Act</b>	:	Securities Industry (Central Depositories) Act 1991, as may be amended from time to time

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**DEFINITIONS (CONT'D)**

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<b>SOCSO</b>	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
<b>SOP</b>	: Standard operation procedures
<b>Specified Shareholders</b>	: Wong Kim Fatt, Loo Sok Ching, Wencor and Ban Kim Wah, collectively
<b>sq. ft.</b>	: Square feet
<b>sq. m.</b>	: Square metres
<b>SST</b>	: Sales and service tax
<b>TA Securities or Principal Adviser or Sponsor or Underwriter or Placement Agent</b>	: TA Securities Holdings Berhad (Registration No. 197301001467 (14948-M))
<b>TS Heuls</b>	: TS Heuls Chemical & Engineering Sdn Bhd (Registration No. 199701023344 (438841-P))
<b>Underwriting Agreement</b>	: Underwriting agreement dated 28 December 2023 entered into between our Company and TA Securities for the purpose of our IPO
<b>Wanfy</b>	: Wanfy (M) Sdn Bhd (Registration No. 198201004070 (83817-M))
<b>Wencor</b>	: Wencor (M) Sdn Bhd (Registration No. 200201019470 (587133-V)) (formerly known as Wentel Corporation Sdn Bhd)
<b>Wentel Engineering Shares or Shares</b>	: Ordinary shares in our Company
<b>WHSB</b>	: Wencor Holdings Sdn Bhd (Registration No. 202101009996 (1410295-W)) (formerly known as Wentel Holdings Sdn Bhd)

**CURRENCY**

<b>RM and sen</b>	: Ringgit Malaysia and sen, respectively
<b>SGD</b>	: Singapore Dollar
<b>USD</b>	: United States Dollar

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## DEFINITIONS (CONT'D)

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### **MAJOR CUSTOMERS OF OUR GROUP**

The following are details of our major customers whose names have been redacted for confidentiality throughout this Prospectus:

**Customer A** : A company incorporated in Singapore. Its principal activity is in research and experimental development in natural sciences. It is a subsidiary of a company that is listed on the New York Stock Exchange which is involved in developing, manufacturing and marketing a range of products for the life science research and clinical diagnostic markets.

Customer A's name is not disclosed as consent was not provided.

**Customer B Group** : Comprising Customer B1, a company incorporated and based in Singapore, and Customer B2, a company incorporated and based in Malaysia. Customer B1 is mainly involved in the manufacturing of semiconductor manufacturing equipment including gas and liquid delivery systems, and assembly of sub-systems. Customer B2 is mainly involved in the manufacturing of special-purpose machinery.

Both Customer B1 and Customer B2 are subsidiaries of a company that is listed on the Nasdaq Global Market with headquarters in California, United States which is mainly a developer and supplier of critical subsystems, components and parts, and ultra-high purity cleaning and analytical services primarily for the semiconductor industry.

Customer B Group's name is not disclosed as consent was not provided.

**Customer C Group** : Comprising Customer C1, a company incorporated and based in Singapore, and Customer C2, a company incorporated and based in Malaysia. Customer C1 is mainly involved in manufacturing, system assembly and supply chain management for healthcare, computing and storage, instrumentation, defence and aerospace, and semiconductor equipment. Customer C2 is mainly involved in providing manufacturing, testing and distribution for industries including, among others, automotive, capital equipment, consumer products, defence and aerospace, healthcare and other industries.

Both Customer C1 and Customer C2 are subsidiaries of a company that is listed on the New York Stock Exchange with headquarters in Florida, United States. The company's main businesses are in providing manufacturing services and solutions including electronics design, production and product management services for customers in various industries including, among others, automotive, electrical appliances, healthcare, technology, defence, energy and other industries.

Customer C Group's name is not disclosed as consent was not provided.

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**DEFINITIONS (CONT'D)**

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**Customer D Group** : Comprising Customer D, a holding company, and its subsidiary, Customer D1. Customer D is a company that is listed on the Nasdaq Global Market with headquarters in Singapore and Pennsylvania, United States while Customer D1 is incorporated and based in Singapore. Customer D Group is involved in providing semiconductor and electronics assembly solutions including equipment, consumables, support services and software, while Customer D1 is involved in manufacturing and repair of semiconductor assembly and testing equipment.

Customer D Group's name is not disclosed as consent was not provided.

**Customer E Group** : Comprising Customer E1, a company incorporated and based in Malaysia, and Customer E2, a company incorporated and based in Singapore. Customer E1 is mainly involved in manufacturing of systems that screen hand baggage, parcels, pallets and freight. Customer E2 is mainly involved in wholesale of security and safety equipment.

Both Customer E1 and Customer E2 are subsidiaries of a company listed on the London Stock Exchange with headquarters in London, United Kingdom. The company provides integrated, advanced technologies to markets in threat and contraband detection, energy, medical devices, communications and engineered components.

Customer E Group's name is not disclosed as consent was not provided.

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**GLOSSARY OF TECHNICAL TERMS**


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

- 3-axis** : In the context of this Prospectus, 3-axis refers to the ability of the tool to move along 3-axes, namely the x-axis (left-and-right movement), y-axis (forward-and-back movement) and z-axis (up-and-down movement)
- 5-face** : In the context of this Prospectus, 5-face refers to the ability of the tool to work on 5 faces of a workpiece, namely the top, both sides, and front and back (save for the bottom of the workpiece that rests on the table)
- 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
- Assembly** : Assembly refers to the manufacturing process where items or products are produced by putting together and joining individual ready-made components. In the context of this Prospectus, assembly is for the production of finished walk-through metal detectors
- Carbon steel** : Carbon steel is any alloy of iron with carbon as the main alloying element (commonly up to 2.00% by weight), and commonly with other elements to achieve desired properties. Unlike stainless steel, carbon steel is not resistant to corrosion and may rust if not properly protected. Carbon steel is used as a general term to distinguish it from stainless steel
- Computer numerical control (CNC)** : CNC refers to the automated control of machine tools and equipment using a computer that follows programmed instructions without requiring an operator to directly control the machine or equipment operations. In the context of this Prospectus, CNC machines used by our Group in their fabrication operations include cutting, punching, bending, milling and welding
- Computer-aided design (CAD)** : The use of computers with associated hardware and software to aid in the design and drawing of two and three-dimension objects, which are easy to modify, store in digital format and electronically transmit to another device
- Computer-aided manufacturing (CAM)** : The use of computers to aid in the manufacturing process. In the context of CNC machining, CAM uses digitalised drawings created by CAD software to control CNC machines in fabricating workpieces
- Copper** : Copper is a metallic element 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 provides a protective layer that protects the underlying metal from further corrosion
- Electrogalvanised steel** : Electrogalvanised steel refers to steel that has been electroplated to bond a thin layer of zinc on its surface.

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**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

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- Fabrication** : Fabrication refers to the process where items or products are produced by joining individual parts created using one or more individual processes, mainly cutting, punching, bending, welding and milling. In the context of this Prospectus, fabrication refers to the production of semifinished metal products comprising metal bodies and accessories, as well as production of metal parts
- Finished products** : Finished products refer to those that have completed the manufacturing process and are operational and ready to be used
- Forming** : Forming refers to the material working process where the input material is shaped to provide the desired profile, or bent to achieve the desired angle or shape
- Large format** : In the context of this Prospectus, large format refers to fabrication of workpiece whose dimensions exceed 1.00 metre in length, width and/or height for CNC milling machines
- Laser** : Laser is an acronym for “light amplification by stimulated emission of radiation”. Laser is a form of light generated by a device that emits a high intensity narrow beam of amplified and concentrated light for various uses. In the context of this Prospectus, laser is used specifically for the cutting or welding of metals
- Laser cutting** : The use of laser for cutting materials
- Laser welding** : The use of laser for the joining of two parts or edges. In the context of this Prospectus, the laser welding process uses laser to melt the two surfaces to be joined, causing the molten metal to intermix and join when solidified
- Machine tool** : A machine that has one or more tools to remove materials from a workpiece through processes such as cutting, punching and milling
- In the context of this Prospectus, the term “machine tool” refers to CNC machine with tools for laser cutting, punching and/or milling
- Machining** : In the context of this Prospectus, machining refers to a process of selectively removing materials from a workpiece such as cutting, punching and milling
- Metal accessory** : In the context of this Prospectus, it refers to a semifinished metal product that is either installed together with baggage security screening equipment or installed together with CNC machines
- Metal body** : In the context of this Prospectus, it refers to a semifinished metal product comprising an internal frame and/or external cover, doors, covers, brackets and panels, mechanical and electrical equipment, wiring, and/or fittings

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

<b>Metal inert gas (MIG) welding</b>	: The welding method where the welding arc and consumable welding electrode are protected by a continuous flow of inert gas to prevent airborne contaminants from coming into contact with the welding site
<b>Metal parts</b>	: In the context of this Prospectus, it refers to a fabricated metal part that is discrete with no other installed equipment or wiring. They are designed to be part of finished machinery, equipment or systems
<b>Micron or <math>\mu\text{m}</math></b>	: A micron is a unit of measurement of length equivalent to one-thousandth of a millimetre
<b>Milling</b>	: Milling refers to the process where machining is carried out by a rotating tool, such as in drilling and grinding to remove selective materials from a workpiece
<b>Punching</b>	: Punching refers to the machining process where a tool is pushed through sheet metal to form a hole of the desired shape
<b>Sandblasting</b>	: A type of surface finishing process which uses high-pressure airflow to spray the surface with fine solid particles to remove rust, surface corrosion and create a smooth surface
<b>Semifinished products</b>	: In the context of this Prospectus, semifinished products refer to products that are not ready to be used and require additional manufacturing processes before it is regarded as finished products
<b>Sheet</b>	: 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, and commonly thinner than plates
<b>Stainless steel</b>	: 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 (commonly at least 11.00% by weight), sometimes with other elements to achieve desired properties
<b>Surface coating</b>	: Refers to the application of a coating material on surfaces mainly for protection, scratch resistance, corrosion prevention and aesthetics. In the context of this Prospectus, it includes spray painting, powder coating, zinc electroplating, nickel electroplating, chrome electroplating and aluminium anodising
<b>Surface treatment</b>	: Refers to the steps carried out before surface coating to ensure that the surface is clean and conducive for coating purposes. In the context of this Prospectus, it includes sandblasting, degreasing, buffing, zinc phosphate treatment and chemical film treatment
<b>Tolerance</b>	: In the context of this Prospectus, it refers to the possible variation from a specified value of measurement
<b>Tungsten inert gas (TIG) welding</b>	: The welding method where the welding arc and non-consumable tungsten electrode are protected by a continuous flow of inert gas to prevent airborne contaminants from coming into contact with the welding site

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

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- Turret punching** : A type of punching machine that is used to form metal parts by punching the shapes out of a metal sheet. The machine has a turret equipped with punching tools of different shapes and sizes. The turret can be rotated to bring any tool into the punching position
- Welding** : Welding is a method of joining metal whereby two metal surfaces are melted so that they are integrally joined when the metal cools and solidifies
- Zinc phosphate** : Refers to the surface treatment of carbon steel items with zinc phosphate primer to inhibit rust formation and as primer for subsequent powder coating

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**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>Nationality</b>
Ban Kim Wah	Non-Independent Non-Executive Chairman	No. 23, Jalan Harmonium 31/7 Taman Desa Tebrau 81100 Johor Bahru Johor	Malaysian
Wong Chun Wei	Non-Independent Executive Director	No. 40, Jalan Suria 2 Taman Suria 81100 Johor Bahru Johor	Malaysian
Soo Wee Loon (f)	Independent Non-Executive Director	No. 34, Jalan Mewah Ria 5/3 Taman Bukit Mewah @ Puncak Lagenda 81200 Johor Bahru Johor	Malaysian
Wang Sze Min (f)	Independent Non-Executive Director	No. 9, Jalan Terentang Taman Kebun Teh 80250 Johor Bahru Johor	Malaysian
Siow Chin How	Independent Non-Executive Director	No. 1, Jalan Adda 6/15 Taman Adda Heights 81100 Johor Bahru Johor	Malaysian

Note:

(f) refers to Female

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**1. CORPORATE DIRECTORY (CONT'D)****AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Siow Chin How	Chairman	Independent Non-Executive Director
Soo Wee Loon	Member	Independent Non-Executive Director
Wang Sze Min	Member	Independent Non-Executive Director

**NOMINATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Soo Wee Loon	Chairman	Independent Non-Executive Director
Wang Sze Min	Member	Independent Non-Executive Director
Siow Chin How	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Wang Sze Min	Chairman	Independent Non-Executive Director
Soo Wee Loon	Member	Independent Non-Executive Director
Siow Chin How	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (CONT'D)**

**COMPANY SECRETARIES** : Tea Sor Hua  
Professional : Malaysian Association of Company  
Qualification Secretaries  
Membership No.: MACS 01324)  
(SSM Practicing Certificate No.:  
201908001272)

Chieng Meei Tsong  
Professional : Malaysian Institute of Chartered  
Qualification Secretaries and Administrators  
(Membership No.: MAICSA 7040364)  
(SSM Practicing Certificate No.:  
201908001264)

No. 77C, Jalan SS21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Telephone No. : +603-7725 1777

**REGISTERED OFFICE** : Third Floor, No. 77, 79 & 81  
Jalan SS21/60, Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Telephone No. : +603-7725 1777

**HEAD OFFICE** : No. 11, Jalan Gagah  
Kawasan Perindustrian Larkin  
80350 Johor Bahru  
Johor

Telephone No. : +607-238 1128  
Email : corporate@wenteleng.com  
Website : www.wenteleng.com

**AUDITORS AND  
REPORTING  
ACCOUNTANTS** : **Crowe Malaysia PLT**  
(201906000005 (LLP0018817-LCA) & AF1018)  
Level 16, Tower C, Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

Telephone No. : +603-2788 9999

Partner-in-charge : Chan Kuan Chee  
Approval No. : 02271/10/2025 J  
Professional : Chartered Accountant, Malaysian  
Qualification Institute of Accountants (MIA)

Certified Public Accountant, The  
Malaysian Institute of Certified Public  
Accountants

Certified Fraud Examiners, Association  
of Certified Fraud Examiners

**1. CORPORATE DIRECTORY (CONT'D)**

- PRINCIPAL ADVISER,  
SPONSOR,  
UNDERWRITER AND  
PLACEMENT AGENT** : **TA Securities Holdings Berhad**  
(Registration No. 197301001467 (14948-M))  
29<sup>th</sup> Floor, Menara TA One  
22, Jalan P. Ramlee  
50250 Kuala Lumpur
- Telephone No. : +603-2072 1277
- SOLICITORS FOR OUR  
IPO** : To our Company as to laws of Malaysia
- David Lai & Tan**  
Level 8-3 & 8-4, Wisma Miramas  
No.1, Jalan 2/109E  
Taman Desa, Jalan Klang Lama  
58100 Kuala Lumpur
- Telephone No. : +603-7972 7968
- To our Company as to laws of Singapore
- Avant Law LLC**  
10 Anson Road  
#10-02 International Plaza  
Singapore 079903
- Telephone No. : +65-6926 9668
- 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 Darul Ehsan
- Telephone No. : +603-7931 3188
- Person-in-charge : Wong Wai Ling  
Qualification : Bachelor of Arts from Monash  
University, Australia;  
Graduate Diploma in Management  
Studies from the University of  
Melbourne, Australia
- (Please refer to Section 8 of this Prospectus for the profile of  
the firm and signing partner)*
- ISSUING HOUSE &  
SHARE REGISTRAR** : **Tricor Investor & Issuing House Services Sdn Bhd**  
(Registration No. 197101000970 (11324-H))  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur
- Telephone No. : +603-2783 9299
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by the SAC

## 2. APPROVALS AND CONDITIONS

### 2.1 APPROVALS AND CONDITIONS

#### 2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 6 November 2023 (“**Approval Letter**”), approved our Listing.

The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of Compliance
(1)	Wentel Corporation Sdn Bhd and Wentel Holdings Sdn Bhd changing their companies’ name by removing the “Wentel” corporate name before the registration of Wentel Engineering’s prospectus;	Complied
(2)	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares;	Complied
(3)	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(4)	The Bumiputera equity requirements for public listed companies as approved / exempted by the SC including any conditions imposed thereon;	Complied
(5)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
(6)	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 Wentel Engineering on the first day of listing;	To be complied
(7)	In relation to the IPO to be undertaken by Wentel Engineering, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment / allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and (iv) Disclosure of placees who become substantial shareholders of Wentel Engineering arising from the IPO, if any.  TA Securities must ensure that the overall distribution of Wentel Engineering’s securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
(8)	Wentel Engineering / TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval upon the admission of Wentel Engineering to the Official List.	To be complied

**2. APPROVALS AND CONDITIONS (CONT'D)****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 8 November 2023, approved the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirement for public listed companies, subject to the following conditions:

No.	Details of conditions imposed	Status of Compliance
(1)	Wentel Engineering allocating Shares equivalent to 12.50% of its enlarged number of issued Shares at the point of Listing to Bumiputera investors to be approved by the MITI; and	Complied
(2)	Wentel Engineering is to make available at least 50.00% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	Complied

The SC had noted the effects of our Listing on the equity structure of our Company as follows:

Category of shareholders	As at 31 May 2023		After our Listing	
	No. of Shares	%	No. of Shares	%
<b>Bumiputera</b>				
- Bumiputera investors to be approved by MITI	-	-	<sup>(1)</sup> 143,750,000	12.50
- Bumiputera public investors via balloting	-	-	<sup>(1)</sup> 28,750,000	2.50
<b>Total Bumiputera</b>	-	-	<b>172,500,000</b>	<b>15.00</b>
Non-Bumiputera	1,000	100.00	977,500,000	85.00
<b>Malaysian</b>	<b>1,000</b>	<b>100.00</b>	<b>1,150,000,000</b>	<b>100.00</b>
Foreigners	-	-	-	-
<b>Total</b>	<b>1,000</b>	<b>100.00</b>	<b>1,150,000,000</b>	<b>100.00</b>

Note:

(1) Based on the assumption that the Shares allocated to Bumiputera investors approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.

**2.1.3 MITI**

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

**2.1.4 SAC**

The SAC had, vide its letter dated 12 October 2023, classified our Shares as Shariah-compliant securities based on our latest audited combined financial statements for the FYE 2022 and pro forma statements of financial position as at 31 December 2022.

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## 2. APPROVALS AND CONDITIONS (CONT'D)

### 2.2 MORATORIUM ON OUR SHARES

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

- (i) The moratorium applies to the entire shareholdings held by our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**First 6-Month Moratorium**");
- (ii) Upon the expiry of the First 6-Month Moratorium, we must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45% of our total number of issued Shares (adjusted for any bonus issue or subdivision of shares) remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) Upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their Shares held under moratorium ("**Subsequent Moratorium**").

(The period covered under the First 6-Month Moratorium, the Second 6-Month Moratorium and the Subsequent Moratorium shall collectively be referred to as the "**Entire Moratorium Period**".)

In accordance with the Listing Requirements, a specified shareholder means a controlling shareholder, a person connected with a controlling shareholder, and an executive director who is a substantial shareholder, of our Company, or any other person as specified by Bursa Securities.

The details of our Shares which will be subject to moratorium are as follows:

Specified Shareholders	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	(1)%	No. of Shares	(1)%
Wong Kim Fatt	426,320,000	37.07	284,305,100	24.72
Loo Sok Ching <sup>(2)</sup>	6,867,000	0.60	4,579,500	0.40
Wencor <sup>(3)</sup>	190,413,000	16.56	126,983,000	11.04
Ban Kim Wah <sup>(4)</sup>	152,399,500	13.25	101,632,400	8.84
<b>Total</b>	<b>775,999,500</b>	<b>67.48</b>	<b>517,500,000</b>	<b>45.00</b>

Specified Shareholders	Moratorium shares during year 2 after our IPO		Moratorium shares during year 3 after our IPO	
	No. of Shares	(1)%	No. of Shares	(1)%
Wong Kim Fatt	189,536,734	16.48	94,768,367	8.24
Loo Sok Ching <sup>(2)</sup>	3,053,000	0.27	1,526,500	0.13
Wencor <sup>(3)</sup>	84,655,334	7.36	42,327,667	3.68
Ban Kim Wah <sup>(4)</sup>	67,754,932	5.89	33,877,466	2.95
<b>Total</b>	<b>345,000,000</b>	<b>30.00</b>	<b>172,500,000</b>	<b>15.00</b>

Notes:

- (1) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.
- (2) Loo Sok Ching is the spouse of our controlling shareholder, Wong Kim Fatt, hence a person connected with him and a specified shareholder.
- (3) Wencor is owned by Wong Kim Fatt and Loo Sok Ching, hence a person connected with Wong Kim Fatt and a specified shareholder.
- (4) Ban Kim Wah is a brother of our controlling shareholder, Wong Kim Fatt, hence a person connected with him and a specified shareholder.

**2. APPROVALS AND CONDITIONS (CONT'D)**

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The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium. In compliance with Rule 3.19(2) of the Listing Requirements, the shareholders of Wencor, namely Wong Kim Fatt and Loo Sok Ching, have each furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their shareholdings in Wencor for the Entire Moratorium Period stipulated above.

In addition, Tai Yuan Heng, our Group's General Manager, had also provided an undertaking not to sell, transfer or assign his entire shareholdings of 54,800,500 Shares in our Company for a period of 6 months from the date of our Listing on a voluntary basis.

The moratorium restrictions are specifically endorsed on the share certificates representing those Shares under moratorium held by our Specified Shareholders and Tai Yuan Heng to ensure that our Share Registrar does not register any transfer that contravenes such restriction.

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### 3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

#### 3.1 PRINCIPAL DETAILS RELATING TO OUR IPO

Details relating to our IPO as derived from the full text of this Prospectus are as follows:

Allocation	Number of IPO Shares	(1)%
<b>Public Issue</b>		
Malaysian Public via balloting	57,500,000	5.00
Eligible Persons	33,000,000	2.87
Private placement to selected investors	38,950,000	3.39
Private placement to Bumiputera investors approved by the MITI	143,750,000	12.50
<b>Offer for Sale</b>		
Private placement to selected investors	46,000,000	4.00
Enlarged number of Shares upon Listing	1,150,000,000	
IPO Price per Share	RM0.26	
Market capitalisation (calculated based on the IPO Price and enlarged number of Shares upon Listing)	RM299,000,000	

**Note:**

(1) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.

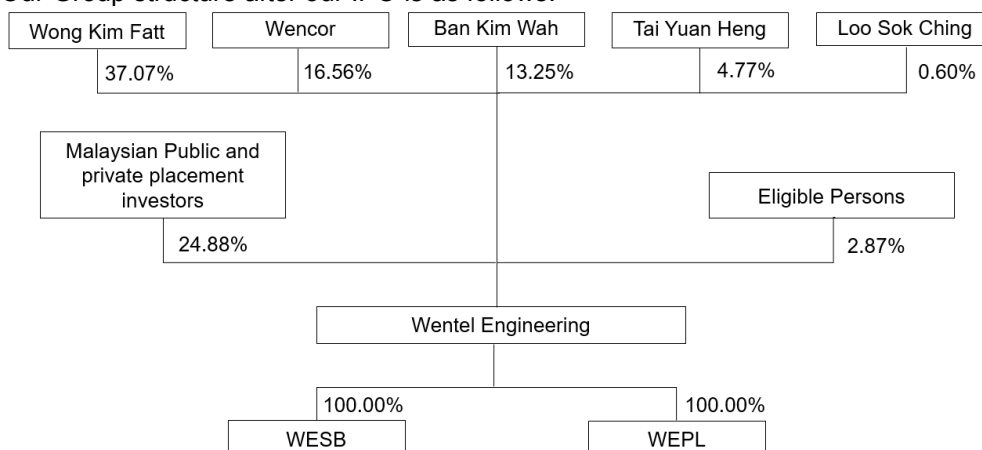
Further details of our IPO are set out in Section 4.3 of this Prospectus.

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders (in compliance with Rule 3.19 of the Listing Requirements). In addition, Tai Yuan Heng, our Group's General Manager has voluntarily placed his Shares held upon our Listing under moratorium. Further details of these moratoriums are set out in Section 2.2 of this Prospectus.

#### 3.2 GROUP STRUCTURE AND BUSINESS MODEL




Our Company was incorporated in Malaysia under the Act on 1 March 2023 as a private limited company under the name of Wentel Engineering Holdings Sdn Bhd. On 12 June 2023, our Company was converted into a public limited company and assumed its present name of Wentel Engineering Holdings Berhad.

Our Group structure after our IPO is as follows:



### 3. PROSPECTUS SUMMARY (CONT'D)

We are an investment holding company. Through our subsidiaries, we are principally involved in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products. The following diagram illustrates our Group's principal activities:

Business activities and revenue streams	Geographical markets	Distribution channel and customer base
<b>Principal activities</b>  <b>Fabrication</b> Semifinished metal products <sup>(1)</sup> Metal parts	<b>Main markets served</b>  Malaysia Singapore	<b>Main channel – direct <sup>(3)</sup></b> Manufacturers of: <ul style="list-style-type: none"> <li>• Security screening equipment</li> <li>• Semiconductor manufacturing equipment</li> <li>• CNC machines</li> <li>• Medical diagnostic equipment</li> <li>• Others <sup>(4)</sup></li> </ul>
 <b>Assembly</b> Walk-through metal detectors	<b>Other market</b> <ul style="list-style-type: none"> <li>• United States <sup>(2)</sup></li> </ul>	

Notes:

- (1) Semifinished metal products comprise metal bodies and accessories.
- (2) The United States accounted for 0.39%, 1.30%, 1.71% and 0.50% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.
- (3) Prior to FYE 2022, we had an indirect distribution channel via the Indirect Business Arrangement where 2 of our top 5 customers placed their orders through Wencor. Please refer to Section 7.2.4 of this Prospectus for further details of the Indirect Business Arrangement.
- (4) Others include manufacturers of passenger coaches and industrial 3D printers.

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

### 3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive strengths are as follows:

- (i) **We have an established track record of approximately 22 years to serve as a reference site for potential customers**

We have an established track record of approximately 22 years as a fabricator of semifinished metal products and metal parts and approximately 18 years as an assembler of finished products since the commencement of operations in 2001. Since the inception of our business, we have developed long-term relationships with our customers where our top 5 major customers for the FPE 2023 have been dealing with us for between 2 and 13 years.

This demonstrates our ability to continue to meet our customers' requirements and expectations and more importantly, our ability to maintain our business relationships with our existing customers which will serve as an important reference point for potential customers. Our established track record and our subsisting customer relationships will provide us with the platform to sustain and grow our business.

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**3. PROSPECTUS SUMMARY (CONT'D)**


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**(ii) We have a physical presence in Singapore which provides us with an additional market to grow our business**

WEPL was incorporated in 2008 and it commenced business operations with its first sales to a customer in Singapore in the same year. We have a sales office in Singapore where we conduct sales and marketing and provide after-sales services to customers in Singapore.

Our business operations in Singapore are an advantage as it provides us with an additional market to Malaysia, which expands our addressable markets and in turn, provides opportunities for our future business growth. In addition, it provides mitigation against the risk of a business downturn in one particular country.

**(iii) We have a range of production facilities to meet the needs of customers for fabricated semifinished metal products and metal parts**

Our business operations are supported by our in-house facilities for the fabrication of semifinished metal products and metal parts. As at the LPD, our facilities include the following:

- 2 units of CNC combined laser cutting and turret punching machines;
- 1 unit of CNC turret punching machine;
- 1 unit of CNC tube laser cutting machine;
- 4 units of CNC laser cutting machines;
- 12 units of CNC bending machines;
- 8 units of CNC robotic-arm welding machines (6 units of MIG welding, 1 unit of TIG welding and 1 unit of laser welding);
- 6 units of manual laser welding sets;
- 8 units of CNC milling machines (3 large format CNC milling machines and 5 conventional format CNC milling machines); and
- 1 zinc electroplating line, 4 powder coating and oven lines and 1 spray painting line.

Our range of machinery and equipment as well as surface coating facilities enable us to address opportunities in multiple industries that require metal bodies, accessories and parts for their manufactured products.

**(iv) We have the technical expertise supported by our in-house engineers to meet our customers' specifications**

We have the engineering capabilities to provide a comprehensive solution and convenience to our customers on the following:

- Engineering support during the new product introduction stage where we refine the design provided by the customer based on production process optimisation and prototyping work.
- Develop technical drawings based on customers' initial designs and specifications together with CAD drawings and the CAM programmed instructions that control the operations of our CNC laser cutters, machine tools and robotic-arm welding.
- Design the jigs and fixtures, which are used to hold and accurately position workpieces as they are cut, machined or welded.

As at the LPD, we have a total of 12 engineers supporting our fabrication operations comprising 7 new product introduction engineers, 3 production engineers, 1 CAM engineer and 1 compliance engineer. We are also supported by 4 engineers in the sales and marketing department and 3 engineers in the quality assurance department.

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### 3. PROSPECTUS SUMMARY (CONT'D)

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**(v) We have quality programmes and certifications to support our commitment and emphasis on product quality**

As a fabricator of semifinished metal products and metal parts that are used in various applications including security screening equipment, semiconductor manufacturing equipment, CNC machines and medical diagnostic equipment, quality is paramount in our operations. Our commitment to quality is supported by our ISO 9001:2015 quality management system certified by Global Compliance Certification Pty Ltd.

As part of our fabrication processes, we also inspect the input materials, and in-process quality checks during various stages of production as well as final inspection before packing and delivery to customers.

Further details of our competitive strengths are set out in Section 7.3 of this Prospectus.

#### 3.4 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans are as follows:

**(i) Expansion of production facilities**

As part of our expansion plans, we intend to construct the New Manufacturing Plant at Lot 815, a piece of freehold land measuring approximately 426,074 sq. ft. which was acquired by our subsidiary, WESB in 2018.

The New Manufacturing Plant will comprise 2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel. The 2 blocks of single storey factory and 2 blocks of workers' hostel are expected to have a total built-up area of 299,701 sq. ft. We plan to use the new plant to carry out the fabrication of semifinished metal products, fabrication of metal parts and assembly operations.

We have obtained building plan approval from the authorities for the New Manufacturing Plant in November 2022. In August 2023, we applied to the authorities for amendments of the approved building plan to increase the built-up area of production and storage space within Lot 815. We target to obtain approval for the revised building plan and commence construction works for the New Manufacturing Plant by first half of 2024 and thereafter complete the construction works by second half of 2024. The total estimated cost of constructing the New Manufacturing Plant is RM67.95 million and will be funded through a combination of our IPO proceeds and internally generated funds/bank borrowings.

**(ii) Purchase machinery and equipment for the New Manufacturing Plant**

We intend to purchase machinery and equipment to enable us to fulfil some of the requirements and specifications for the fabrication of semifinished metal products and metal parts, as well as enable us to expand into precision machined parts. These machinery and equipment will be installed at the New Manufacturing Plant to be constructed on Lot 815.

The machinery and equipment we intend to purchase for the New Manufacturing Plant comprises 4 units of CNC laser cutting and/or turret punching machines, 9 units of CNC milling machines, 3 units of CNC turning machines, 3 units of CNC bending machines, 6 units of CNC robotic-arm welding machines together with 6 welding tables and 2 rotary tables, 2 surface coating lines, 2 units of spot-welding machines and 1 unit of coordinate measuring machine.

We intend to commence and complete the installation of these new machinery and equipment by the first half of 2025. The total estimated cost of purchasing the machinery and equipment is RM42.39 million and will be funded through a combination of our IPO proceeds and internally generated funds/bank borrowings.

### 3. PROSPECTUS SUMMARY (CONT'D)

Further details of our future plans and business strategies are set out in Section 7.17 of this Prospectus.

#### 3.5 RISK FACTORS

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

**(i) We are dependent on certain major customers which contributed significantly to our total revenue and the loss of one or more of these customers may affect our financial performance**

For the Period Under Review, we were dependent on Rapiscan Group, Customer E Group, Makino Asia Pte Ltd and Customer D Group by virtue of their revenue contribution. Collectively, this group of customers accounted for 89.85%, 88.81%, 87.68% and 89.27% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Our financial performance may be adversely affected if we lose any one or more of these major customers or if they reduce their purchases of our products, for whatever reason. In the event we fail to promptly secure or replace the loss of any one or more of these major customers with new customers that can contribute to our revenue in a similar manner, our financial performance would be adversely affected.

**(ii) We may be exposed to unfavourable foreign currency exchange rate fluctuations**

We are exposed to the risk of foreign exchange fluctuations as part of our revenue and purchases are transacted in foreign currencies. During the Period Under Review, our revenue transacted in foreign currencies, namely USD and SGD, accounted for 24.84%, 42.78%, 67.00% and 64.92% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Meanwhile, our purchases of materials and services that were denominated in foreign currencies accounted for 43.68%, 38.03%, 37.63% and 43.94% of our total purchases of materials and services for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. This includes foreign currencies such as SGD, Euro, USD and GBP.

For the FYE 2020, we recorded a net loss of RM0.47 million on foreign currency exchange while we recorded a net gain of RM0.44 million, RM1.57 million and RM1.15 million in FYE 2021, FYE 2022 and FPE 2023 respectively. While foreign currency exchange rate fluctuations have not had material adverse effect on our financial performance during the Period Under Review, there can be no assurance that we will not be adversely affected in the future.

**(iii) We are exposed to fluctuations in the market prices of metal input materials**

We are exposed to fluctuations in the market prices of metals, particularly steel, lead and aluminium, through our purchases of these metals as input materials. For the Period Under Review, our movement of average purchase prices of metal input materials including steel products, lead sheets, aluminium products are as follows:

- For steel materials: our purchase price increased by 52.63% from RM3.61/kg in FYE 2020 to RM5.51/kg in FYE 2021, and further increased by 12.34% to RM6.19/kg in FYE 2022. Subsequently, our purchase price for steel materials decreased by 19.87% to RM4.96/kg in FPE 2023;
- For lead sheets: our purchase price increased by 3.79% from RM12.39/kg in FYE 2020 to RM12.86/kg in FYE 2021, and further increased by 15.40% to RM14.84/kg FYE 2022. Subsequently, our purchase price for lead sheets increased by 1.95% to RM15.13/kg in FPE 2023; and
- For aluminium materials: our purchase price increased by 14.15% from RM16.32/kg in FYE 2020 to RM18.63/kg in FYE 2021, and further increased

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**3. PROSPECTUS SUMMARY (CONT'D)**


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by 32.69% to RM24.72/kg in FYE 2022. Subsequently, our purchase price for aluminium materials decreased by 10.23% to RM22.19/kg in FPE 2023.

As the purchases of steel, lead and aluminium input materials collectively accounted for 51.38%, 49.85%, 53.13% and 52.51% of our total purchases of input materials and services in FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively, increases in the market prices of steel, lead or aluminium may lead to an increase in our costs of fabricated semifinished metal products and metal parts. If we are unable to pass on the increases in costs to our customers, our margins and financial performance may be adversely affected.

**(iv) We are subjected to changes and uncertainties in the security screening equipment manufacturing industry**

For the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, security screening equipment sector as a user industry accounted for 75.10%, 57.63%, 63.34% and 66.16% (including revenue from the Indirect Business Arrangement with Wencor) of our total revenue respectively. Failure to increase our capacity and resources adequately and timely to meet an increase in demand for security screening equipment may result in the loss of orders from our existing customers or the inability to secure new customers from the same industry, which may in turn adversely affect our future financial performance.

If the demand for security screening equipment were to decline unexpectedly, our customers may reduce or stop placing orders for semifinished metal products and fully finished assembled products with us, or may require us to reduce our pricing to retain their business. This may adversely affect our future financial performance and margin.

**(v) We do not have any long-term contracts with our customers**

We do not have any long-term contracts with our customers for the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products. We supply goods to our customers based on purchase orders placed to us from time to time. Hence, the financial performance of our Group would be dependent on our ability to secure new purchase orders on a consistent basis. While we have supply agreements with 5 of our customers, the supply agreements do not constitute an order to purchase and our customers are under no obligation to purchase any goods from us.

**(vi) There is no assurance that we will succeed in implementing our business strategies and plans**

Our business strategies and plans involve leveraging our core competencies and strengths by establishing a new fabrication plant and purchasing new machinery and equipment to expand our existing business operations.

There is a risk that we may fail to successfully implement our business strategies and plans due to, among others, material delays, cost over-runs, failure to complete the new fabrication plant or install and commission the new machinery and equipment, failure to secure sufficient new orders from existing or new customers to utilise the new machinery and equipment at an economical level, and/or adverse market conditions when the new fabrication plant, machinery and equipment become operational. Any delays or failure to successfully implement and derive economic benefits from our business strategies and plans may adversely affect our expected or future financial performance and growth.

**(vii) We are dependent on our key senior management team**

We are dependent on the experience, expertise, technical knowledge and contributions of our key senior management team in implementing the appropriate strategies to drive the overall growth and development of our Group. We are also dependent on our key

### 3. PROSPECTUS SUMMARY (CONT'D)

senior management team for their experience, expertise and technical knowledge in their respective areas of responsibility to facilitate the smooth running of our day-to-day operations. Our day-to-day business operations and the implementation of our business strategies may be adversely affected if we lose the services of one or more of our key senior management personnel and are unable to engage a suitable replacement promptly.

**(viii) We are subject to the risk of returns or warranty claims from our customers for any non-conformity or defective semifinished metal products and metal parts, and fully assembled products**

During the Period Under Review, the value of the products returned from customers due to either products that were defective or did not meet with customer specifications amounted to RM0.32 million, RM0.16 million, RM0.21 million and RM0.14 million for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. In this respect, any material product returns or material claims from customers against our products may adversely affect our financial performance due to costs to be incurred for product rework, repair or replacement. Our reputation may also be adversely affected if any of our customers express dissatisfaction on the quality of our products.

**(ix) We are required to comply with HSE laws and regulations and any breaches may result in the suspension of our operations and/or penalties**

We are required to comply with the relevant HSE laws and regulations that apply to our fabrication plants. We operate various machinery and equipment at our plants, including CNC machines, equipment, surface treatment and coating lines, overhead cranes and forklifts. In addition, our employees and contract workers at our fabrication plants carry out manual laser and conventional welding. Many of these operations are subjected to various HSE laws and regulations that are concerned with, among others, the occupational health and safety of our employees and contract workers as they perform their jobs and the effects that our fabrication operations may have on the surrounding environment.

During the Period Under Review and up to the LPD, there were no material injuries or harm at our plants that involved our employees or contract workers, or any material breach or failure by us to comply with the relevant HSE laws and regulations that resulted in any of the negative consequences listed above. Nevertheless, there can be no assurance that injury or harm to our employees or contract workers, or breach or failure to comply with relevant HSE laws and regulations, will not occur in the future.

Further details of our risk factors are set out in Section 9 of this Prospectus.

### 3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
<b><u>Directors</u></b>	
Ban Kim Wah	Non-Independent Non-Executive Chairman
Wong Chun Wei	Non-Independent Executive Director
Soo Wee Loon (f)	Independent Non-Executive Director
Wang Sze Min (f)	Independent Non-Executive Director
Siow Chin How	Independent Non-Executive Director
<b><u>Key Senior Management</u></b>	
Chuah Chong Syn	Group Chief Executive Officer
Wong Chun Wei	Non-Independent Executive Director
Tai Yuan Heng	General Manager
Yap Yew Wei	Group Financial Controller
Lew Sia Ching (f)	Head of Supply Chain

Further details of our Directors and Key Senior Management are set out in Section 5 of this Prospectus.

**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:

Name	Nationality/ Place of incorporation	Before our IPO / As at the LPD		After our IPO					
		Direct No. of Shares	(1)%	Direct No. of Shares	(2)%	Indirect No. of Shares	(2)%		
<b>Promoters and substantial shareholders</b> Wong Kim Fatt Ban Kim Wah Loo Sok Ching	Malaysian	460,320,000	52.50	(3)197,280,000	22.50	(3)426,320,000	37.07	(3)197,280,000	17.16
	Malaysian	164,399,500	18.75	-	-	(6)152,399,500	13.25	-	-
	Malaysian	6,867,000	0.78	(4)650,733,000	74.22	6,867,000	0.60	(4)616,733,000	53.63
<b>Promoter</b> Wong Chun Wei	Malaysian	-	-	-	-	-	-	-	-
	Malaysia	190,413,000	21.72	-	-	190,413,000	16.56	-	-
<b>Substantial shareholders</b> Wencor Tai Yuan Heng	Malaysia	54,800,500	6.25	-	-	54,800,500	4.77	-	-
	Malaysian	-	-	-	-	-	-	-	-

**Notes:**

- (1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions but before our IPO / as at the LPD.
- (2) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his spouse's interest as well as his shareholding in Wencor pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her spouse's interest as well as her shareholding in Wencor pursuant to Section 8 of the Act.
- (5) After the sale of 34,000,000 Shares pursuant to the Offer for Sale.
- (6) After the sale of 12,000,000 Shares pursuant to the Offer for Sale.

Further details of our Promoters and substantial shareholders are set out in Section 5 of this Prospectus.



### 3. PROSPECTUS SUMMARY (CONT'D)

#### 3.8 UTILISATION OF PROCEEDS

The expected gross proceeds of RM71.03 million raised by our Company from our Public Issue are intended to be used in the following manner:

Details of utilisation	Gross proceeds RM'000	%	Estimated timeframe for utilisation from our Listing
Part finance the construction of 2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel	40,000	56.31	Within 18 months
Part finance the purchase of new machinery and equipment	25,032	35.24	Within 18 months
Estimated listing expenses (including professional fees, fees to authorities, underwriting, placement and brokerage fees, as well as printing, advertisement and other incidental charges relating to the Listing)	6,000	8.45	Within 3 months
<b>Total</b>	<b>71,032</b>	<b>100.00</b>	

Further details of our utilisation of proceeds are set out in Section 4.8 of this Prospectus.

#### 3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out the key financial and operational highlights of our Group for the Period Under Review:

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	64,759	89,854	117,540	88,027	72,129
GP	10,771	22,659	31,191	22,652	18,278
PBT	4,174	17,307	25,693	19,937	14,471
PAT	(1)3,580	(1)13,706	20,480	16,316	11,001
GP margin (%) <sup>(2)</sup>	16.63	25.22	26.54	25.73	25.34
PBT margin (%) <sup>(3)</sup>	6.45	19.26	21.86	22.65	20.06
PAT margin (%) <sup>(4)</sup>	5.53	15.25	17.42	18.54	15.25
Basic / Diluted EPS (sen) <sup>(5)</sup>	0.31	1.19	1.78	1.42	0.96

Notes:

- (1) Representing PAT from continuing operations.
- (2) GP margin is computed based on our GP over revenue.
- (3) PBT margin is computed based on our PBT over revenue.
- (4) PAT margin is computed based on our PAT (PAT from continuing operations for FYE 2020 and FYE 2021) over revenue.
- (5) Computed based on PAT (PAT from continuing operations for FYE 2020 and FYE 2021) attributable to owners of our Group divided by our enlarged number of Shares in issue after our IPO. The diluted EPS is equal to the basic EPS as there were no potential dilutive ordinary shares outstanding at the end of the respective financial year / period.

Further details of our financial information are set out in Section 12 of this Prospectus.

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### **3. PROSPECTUS SUMMARY (CONT'D)**

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#### **3.10 DIVIDEND POLICY**

It is our Boards' policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Company does not have any formal dividend policy.

Our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures. Save for certain banking restrictive covenants which WESB is subject to arising from credit facilities obtained from financial institutions, there is no other dividend restriction imposed on our subsidiaries as at the LPD. The said covenants require WESB to obtain prior written consent from the bank in the event of declaration of any dividends in excess of such percentage of its paid-up capital or its annual net income after tax as may be stipulated by the bank, provided always that any such permissible declaration of dividends may only be made if debt servicing is current.

The payment and amount of any dividends and distributions to our shareholders will be at the discretion of our Board and will depend on the factors mentioned above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment. During the Period Under Review and up to the LPD, there were no dividends declared or payable by our Group. We do not intend to pay or declare any dividends subsequent to the LPD and prior to our Listing.

Further details on our dividend policy are set out in Section 12.9 of this Prospectus.

#### **3.11 MATERIAL INTERRUPTIONS TO OUR BUSINESS**

We did not experience any material interruptions to our business and operations during the Period Under Review, except for those related to the COVID-19 pandemic.

Further details on the COVID-19 conditions are set out in Section 7.19 of this Prospectus.

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#### 4. DETAILS OF OUR IPO

##### 4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 15 January 2024 and will remain open until 5.00 p.m. on 22 January 2024. **LATE APPLICATION WILL NOT BE ACCEPTED.**

##### 4.2 INDICATIVE TIMETABLE

Events	Tentative Dates
Issuance of this Prospectus / Opening of the Application period for our IPO	15 January 2024
Closing of the Application period for our IPO	22 January 2024
Balloting of the Applications	24 January 2024
Allotment / Transfer of IPO Shares to successful applicants	2 February 2024
Listing on the ACE Market	6 February 2024

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

##### 4.3 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions set out in Section 4.3.4 of this Prospectus:

	Number of IPO Shares	Percentage of our enlarged issued share capital (%)
<b>Public Issue</b>		
(i) Malaysian Public via balloting	57,500,000	5.00
(ii) Eligible Persons	33,000,000	2.87
(iii) Private placement to selected investors	38,950,000	3.39
(iv) Private placement to Bumiputera investors approved by the MITI	143,750,000	12.50
	<b>273,200,000</b>	<b>23.76</b>
<b>Offer for Sale</b>		
Private placement to selected investors	46,000,000	4.00
<b>Total</b>	<b>319,200,000</b>	<b>27.76</b>

The basis of allocation of our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants to broaden 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 in a fair and equitable manner to be determined by our Board.

**4. DETAILS OF OUR IPO (CONT'D)**

To the best of our knowledge and belief:

- (i) there is no person who intends to subscribe for more than 5.00% of our IPO Shares; and
- (ii) save for the Pink Form Allocation made available for application by the Eligible Persons, none of our substantial shareholder, Director or member of Key Senior Management indicated to our Company that they intend to subscribe for our IPO Shares made available for application by the Malaysian Public via balloting.

**4.3.1 Public Issue**

Our Public Issue of 273,200,000 Issue Shares, representing approximately 23.76% of our enlarged issued share capital, at the IPO Price will be made available in the following manner:

**(i) Malaysian Public via balloting**

57,500,000 Issue Shares representing approximately 5.00% of our enlarged issued share capital will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside for Bumiputera investors. Any Issue Shares not subscribed for by Bumiputera investors will be made available for application by the other Malaysian Public via balloting.

**(ii) Eligible Persons**

33,000,000 Issue Shares representing approximately 2.87% of our enlarged issued share capital will be made available for application by our Eligible Persons in recognition of their efforts and support to our Group.

A total of 64 persons are eligible for the Pink Form Allocation, comprising the following:

<b>Eligibility</b>	<b>Number of Eligible Persons</b>	<b>Aggregate number of Issue Shares allocated</b>
Eligible Directors <sup>(1)</sup>	3	900,000
Eligible employees of our Group <sup>(2)</sup>	34	18,908,000
Persons who have contributed to our success <sup>(3)</sup>	27	13,192,000
<b>Total</b>	<b>64</b>	<b>33,000,000</b>

The above allocation is subject to the Eligible Persons subscribing to their respective allocations. The entitlements which are not accepted by any Eligible Persons will be re-allocated to the other Eligible Persons at the discretion of our Board.

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**4. DETAILS OF OUR IPO (CONT'D)**Notes:

- (1) The criteria for allocation to our eligible Directors are based on their respective roles and responsibilities as well as their contribution to our Group. The number of Pink Form Shares to be allocated to our eligible Directors are as follows:

<b>Name / Designation</b>	<b>Number of Pink Form Shares</b>
Soo Wee Loon Independent Non-Executive Director	300,000
Wang Sze Min Independent Non-Executive Director	300,000
Siow Chin How Independent Non-Executive Director	300,000
<b>Total</b>	<b>900,000</b>

No Pink Form Shares have been allocated to Wong Chun Wei, our Non-Independent Executive Director, as it is not the intention of our Promoters to increase their collective shareholdings in our Company pursuant to our IPO. Upon our Listing, our Promoters will collectively hold 67.48% shareholdings (including 16.56% indirect interest held through Wencor by Wong Kim Fatt and Loo Sok Ching) in our Company.

- (2) The criteria for allocation to our eligible employees (as approved by our Board) are based on the following factors:
- (i) The eligible employee must be a full-time and confirmed employee and on the payroll of our Group;
  - (ii) The number of Pink Form Shares allocated to our eligible employees are based on their seniority, position, length of service and/or their respective contribution to our Group as well as other factors deemed relevant by our Board; and
  - (iii) The eligible employee must be at least 18 years of age.

The number of Pink Form Shares allocated under this category is inclusive of the allocation to our Key Senior Management, which is set out as follows:

<b>Name</b>	<b>Designation</b>	<b>Number of Pink Form Shares allocated</b>
Chuah Chong Syn	Group Chief Executive Officer	3,800,000
Yap Yew Wei	Group Financial Controller	1,900,000
Lew Sia Ching	Head of Supply Chain	1,900,000
<b>Total</b>		<b>7,600,000</b>

Tai Yuan Heng, our General Manager, has opted not to participate in the Pink Form Allocation as he is already our shareholder.

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**4. DETAILS OF OUR IPO (CONT'D)**

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- (3) The criteria for allocation to the persons who have contributed to our success (as approved by our Board) are based on, amongst others, their contribution and support to the growth of our Group, as well as the length of their relationship with us. The persons who have contributed to the success of our Group include our customers and suppliers.

Eligible Persons who subscribe for Pink Form Shares under this Section 4.3.1(ii) may also apply for the Issue Shares made available for the Malaysian Public via balloting under Section 4.3.1(i) above.

**(iii) Private placement to selected investors**

38,950,000 Issue Shares representing approximately 3.39% of our enlarged issued share capital will be made available by way of private placement to selected investors.

**(iv) Private placement to Bumiputera investors approved by the MITI**

143,750,000 Issue Shares representing approximately 12.50% of our enlarged issued share capital will be made available by way of private placement to Bumiputera investors approved by the MITI.

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

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

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**4. DETAILS OF OUR IPO (CONT'D)**

**4.3.2 Offer for Sale**

Our Offerors will undertake an offer for sale of 46,000,000 Offer Shares, representing approximately 4.00% of our enlarged issued share capital, at the IPO Price to selected investors by way of private placement.

Details of our Offerors are set out below:

Name	Nature of relationship with our Group	Shareholdings before IPO and as at the LPD		Offer for Sale		Shareholdings after IPO	
		No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>
Wong Kim Fatt No. 5, Jalan Saga Taman Melodies 80250 Johor Bahru Johor	Promoter and substantial shareholder	460,320,000	52.50	34,000,000	3.88	426,320,000	37.07
Ban Kim Wah No. 23, Jalan Harmonium 31/7 Taman Desa Tebrau 81100 Johor Bahru Johor	Promoter, substantial shareholder and Non-Independent Non-Executive Chairman	164,399,500	18.75	12,000,000	1.37	152,399,500	13.25

Notes:

(1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions and as at the LPD.

(2) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.

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#### **4. DETAILS OF OUR IPO (CONT'D)**

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The Offer for Sale is expected to raise gross proceeds of approximately RM11.96 million which will accrue entirely to the Offerors and we will not receive any of the proceeds. The Offerors shall bear all expenses such as stamp duty, placement fees, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.32 million.

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

Further details of our Offerors, who are also our Promoters and substantial shareholders, are set out in Section 5.1.3 of this Prospectus.

##### **4.3.3 Underwriting arrangement**

The 57,500,000 Issue Shares made available for application by the Malaysian Public via balloting has been fully underwritten.

The 143,750,000 Issue Shares made available for private placement to Bumiputera investors approved by the MITI, and the 38,950,000 Issue Shares and 46,000,000 Offer Shares made available for private placement to selected investors are not underwritten as irrevocable undertakings from the relevant investors to subscribe for the aforementioned Issue Shares and Offer Shares will be / have been obtained.

The 33,000,000 Issue Shares made available for application by Eligible Persons are not underwritten as the size of the Pink Form Allocation is relatively small, and we are optimistic that we would be able to achieve full subscription from the Eligible Persons.

##### **4.3.4 Clawback and reallocation**

###### **(i) Issue Shares for the Malaysian Public via balloting**

If any Issue Shares allocated to the Malaysian Public via balloting under Section 4.3.1(i) of this Prospectus are not fully subscribed, the balance portion will be allocated in the following order:

- (a) Firstly, to our Eligible Persons as described in Section 4.3.1(ii) of this Prospectus;
- (b) Secondly, any remaining portion will be made available by way of private placement to selected investors under Section 4.3.1(iii) of this Prospectus; and
- (c) Finally, any remaining Issue Shares thereafter will be subscribed by our Underwriter, subject to the terms and conditions of the Underwriting Agreement.

###### **(ii) Pink Form Shares for our Eligible Persons**

If any Issue Shares allocated to our Eligible Persons under Section 4.3.1(ii) of this Prospectus are not fully subscribed, the balance portion will be allocated in the following order:

- (a) Firstly, to other Eligible Persons (excluding eligible Directors) who have applied for excess on top of their pre-determined allocation on a fair and equitable basis; and
- (b) Secondly, any remaining portion will be made available for application by the Malaysian Public via balloting and/or by way of private placement to selected investors under Sections 4.3.1(i) and 4.3.1(iii) of this Prospectus respectively.



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#### **4. DETAILS OF OUR IPO (CONT'D)**

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**(iii) Issue Shares and Offer Shares by way of private placement to selected investors**

If any Issue Shares and/or Offer Shares allocated to selected investors under Sections 4.3.1(iii) and 4.3.2 of this Prospectus are not fully subscribed, the balance portion will be made available for application by the Malaysian Public via balloting under Section 4.3.1(i) of this Prospectus.

**(iv) Issue Shares by way of private placement to Bumiputera investors approved by the MITI**

If any Issue Shares allocated to Bumiputera investors approved by the MITI under Section 4.3.1(iv) of this Prospectus are not fully subscribed, the balance portion will be allocated in the following order:

- (a) Firstly, to Bumiputera Malaysian Public as part of the balloting process under Section 4.3.1(i) of this Prospectus;
- (b) Secondly, any remaining portion thereafter will be made available for application by other Malaysian Public via balloting under Section 4.3.1(i) of this Prospectus; and
- (c) Finally, any remaining portion thereafter will be made available by way of private placement to selected investors under Sections 4.3.1(iii) and/or 4.3.2 of this Prospectus.

#### **4.3.5 Price stabilisation mechanism**

We will not be employing any price stabilisation mechanism that may be employed in accordance with the Capital Markets and Services (Price Stabilization Mechanism) Regulations 2008 for our IPO.

#### **4.3.6 Minimum level of subscription**

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

Pursuant to the Listing Requirements, at least 25.00% of our enlarged number of issued shares must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our Listing. We expect to meet the public shareholding requirements through a combination of the balloting process and the private placement exercise.

If we do not meet the public shareholding requirements, we may not be allowed to proceed with our Listing. In such an event, all monies paid in respect of all applications for our IPO Shares will be returned in full without interest. If any such monies are not repaid within 14 days after we become liable to repay it, the provision of Section 243(2) of the CMSA shall apply accordingly.

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#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.4 SHARE CAPITAL AND MARKET CAPITALISATION UPON LISTING

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

Details	No. of Shares	RM
<b>Issued share capital</b>		
As at the date of this Prospectus	876,800,000	87,680,000
To be issued under our Public Issue	273,200,000	71,032,000
<b>Enlarged issued share capital upon our Listing</b>	<b>1,150,000,000</b>	<b>158,712,000</b>

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

As at the date of this Prospectus, we only have one class of share, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the allotment date of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the transfer date of our Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions. In relation to any surplus in the event of our liquidation, such surplus is to be distributed amongst our shareholders in proportion to our total number of issued Shares at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At our general meeting, each shareholder who is entitled to vote may vote in person or by proxy or by attorney or by duly authorised representative. Subject to the Listing Requirements, any resolution put to vote in the meeting shall be decided by way of poll. On a vote by way of poll, each shareholder present either in person or by proxy, or attorney, or other duly authorised representative shall have one vote for each Share held or represented. On a vote by show of hands, each shareholder present either in person or by proxy, or attorney, or other duly authorised representative shall have one vote. A proxy may, but need not be, a shareholder of our Company.

Based on our IPO Price and enlarged issued share capital of 1,150,000,000 Shares upon Listing, our total market capitalisation will be RM299.00 million.

##### 4.5 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.8 of this Prospectus;
- (b) to gain recognition through our listing status which will enhance our Group's reputation and facilitate the marketing of our services, expansion of our customer base, retention of our employees and attraction of new talents in the industry that we operate in;
- (c) to provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity and continuing growth; and

#### 4. DETAILS OF OUR IPO (CONT'D)

- (d) to enable us to tap into the equity capital market for future fund raising and to provide us with the financial flexibility to pursue future growth opportunities, as and when these opportunities arise, through other forms of capital raising avenue such as rights issue and private placement.

#### 4.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined after taking into consideration, amongst others, the following factors:

- (i) Our Group's history and background and financial performance as described in Sections 7.1 and 12.1.1 of this Prospectus respectively;
- (ii) Our pro forma NA per Share of approximately RM0.14, computed based on our Group's pro forma NA of approximately RM163.90 million as at 30 September 2023 after taking into consideration our Public Issue and utilisation of proceeds and our enlarged issued share capital of 1,150,000,000 Shares upon Listing;
- (iii) Our EPS of approximately RM0.0178, computed based on our Group's audited combined PAT of approximately RM20.48 million for the FYE 2022 and our enlarged issued share capital of 1,150,000,000 Shares upon Listing, translating to a PE multiple of 14.61 times based on our IPO Price of RM0.26 per Share;
- (iv) Our competitive advantages and key strengths as set out in Section 7.3 of this Prospectus; and
- (v) Our business strategies and plans as set out in Section 7.17 of this Prospectus.

**You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You should form your own views on the valuation of the IPO Shares before deciding to invest in our Shares. You are reminded to consider the Risk Factors set out in Section 9 of this Prospectus before deciding to invest in our Shares.**

#### 4.7 DILUTION

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

	RM
IPO Price	0.26
Pro forma NA per Share as at 30 September 2023 after the Acquisitions and before Public Issue	0.11
Pro forma NA per Share after Public Issue and utilisation of proceeds	0.14
Increase in pro forma NA per Share attributable to existing shareholders	0.03
Dilution in pro forma NA per Share to new investors	0.12
Dilution in pro forma NA per Share as a percentage of our IPO Price	46.15%

Further details of our pro forma NA per Share as at 30 September 2023 is set out in Section 14 of this Prospectus.

**4. DETAILS OF OUR IPO (CONT'D)**

Save as disclosed below, there is no substantial disparity between our IPO Price and the effective cash cost to our substantial shareholders, Directors and/or Key Senior Management, or persons connected with them for any of our Shares acquired by them in any transaction from the date of our incorporation up to the date of this Prospectus:

	<b>No. of Shares held before our IPO</b>	<b>Total consideration (RM)</b>	<b>Effective cash cost per Share (RM)</b>
<b>Substantial shareholders</b>			
Wong Kim Fatt	(1)460,320,000	(3)46,032,000	0.10
Wencor	(1)190,413,000	(3)19,041,300	0.10
Loo Sok Ching	(1)6,867,000	(3)686,700	0.10
<b>Substantial shareholder and Director</b>			
Ban Kim Wah	(2)164,399,500	(4)16,439,950	0.10
<b>Substantial shareholder and Key Senior Management</b>			
Tai Yuan Heng	(1)54,800,500	(3)5,480,050	0.10

Notes:

- (1) Being Shares issued pursuant to the Acquisitions.
- (2) Being Shares issued pursuant to the Acquisitions and 1,000 subscriber shares issued upon the incorporation of our Company.
- (3) Calculated based on the total purchase consideration for the Acquisitions attributable to him/her/it.
- (4) Calculated based on the total purchase consideration for the Acquisitions attributable to him and the RM100 paid for the 1,000 subscriber shares.

As at the date of this Prospectus, save for the Pink Form Allocation, there is no outstanding right granted to anyone to acquire our Shares. The Pink Form Allocation is based on our IPO Price.

**4.8 UTILISATION OF PROCEEDS FROM OUR IPO**

Based on our IPO Price, we will raise gross proceeds of RM71.03 million from our Public Issue. The gross proceeds raised are intended to be used in the following manner:

<b>Details of utilisation</b>	<b>Gross proceeds RM'000</b>	<b>%</b>	<b>Estimated timeframe for utilisation from our Listing</b>
Part finance the construction of 2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel	40,000	56.31	Within 18 months
Part finance the purchase of new machinery and equipment	25,032	35.24	Within 18 months
Estimated listing expenses (including professional fees, fees to authorities, underwriting, placement and brokerage fees, as well as printing, advertisement and other incidental charges relating to the Listing)	6,000	8.45	Within 3 months
<b>Total</b>	<b>71,032</b>	<b>100.00</b>	

#### 4. DETAILS OF OUR IPO (CONT'D)

Pending the eventual utilisation of our Public Issue proceeds, we will place them in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

We will not receive any proceeds from the Offer for Sale. Based on our IPO Price, the gross proceeds from the Offer for Sale of approximately RM11.96 million will accrue entirely to our Offerors. Our Offerors shall bear the entire incidental expenses and fees such as stamp duty, placement fees and miscellaneous fees in relation to the Offer for Sale of approximately RM0.32 million.

Further information on the use of our Public Issue proceeds is as follows:

##### 4.8.1 Part finance the construction of 2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel

As at the LPD, our Group operates from our existing office and manufacturing plants at Lot 11 and Lot 58 in Kawasan Perindustrian Larkin, Johor Bahru. These rented premises have a total built-up area of approximately 164,121 sq. ft., which are used for our Group's business operations in Malaysia. As part of our Group's business expansion plan, we intend to construct the New Manufacturing Plant at Lot 815 to increase the production capacity of our Group. This will enable us to have the production capacity to undertake more orders to expand our business operations. Upon completion of its construction, we will shift our current operations at Lot 58 to the New Manufacturing Plant and terminate our tenancy for Lot 58. We will continue to operate our manufacturing plant at Lot 11 together with the New Manufacturing Plant.

Lot 815 is a piece of freehold land acquired by us in 2018 for a purchase consideration of approximately RM18.28 million. The said land is located at Kawasan Perindustrian Selatan, Johor Bahru and it is approximately 426,074 sq. ft. in land size.

The construction of the New Manufacturing Plant is expected to cost a total of RM67.95 million, the breakdown of which is as follows:

Construction cost	RM'000
Preliminaries	2,890
Building works	29,050
Piling works	1,817
Mechanical and electrical works	18,159
External and infrastructural works	13,202
Other costs and contingencies	2,832
<b>Total</b>	<b>67,950</b>

We intend to utilise RM40.00 million of our Public Issue proceeds to partly fund the aforesaid construction costs, while the remaining costs of RM27.95 million will be met via our Group's internally generated funds and/or bank borrowings.

The New Manufacturing Plant will comprise 2 blocks of single storey factory (with double storey office) and 2 blocks of workers' hostel. The New Manufacturing Plant is expected to provide us with net additional built-up area of approximately 254,381 sq. ft. The total built-up area of our premises as at the LPD and after our relocation of Lot 58 operations to the New Manufacturing Plant is as follows:

Area	Existing <sup>(1)</sup>	New Manufacturing Plant	Total after relocation <sup>(3)</sup>	Net changes
Fabrication operations (including storage area) and office	164,121	215,310	334,111	169,990
Hostel and others	-	<sup>(2)</sup> 84,391	84,391	84,391
<b>Total</b>	<b>164,121</b>	<b>299,701</b>	<b>418,502</b>	<b>254,381</b>

**4. DETAILS OF OUR IPO (CONT'D)**Notes:

- (1) Based on built-up area of both Lot 11 and Lot 58.
- (2) Built-up area for the hostel is approximately 31,674 sq. ft, which is sufficient to house all of our existing foreign workers. We will place our foreign workers at the hostel within the New Manufacturing Plant and terminate our tenancy for the rented hostels once the New Manufacturing Plant is operational. The remaining built-up area of approximately 52,717 sq. ft. are for lobby, canteen and common areas.
- (3) After excluding the built-up area of Lot 58 of approximately 45,320 sq. ft.

We will purchase and install new machinery and equipment at the New Manufacturing Plant, which is further set out in Section 4.8.2 of this Prospectus below. Save for 2 units of CNC laser cutting machines which will be retired, our other existing machinery and equipment at Lot 58 will be relocated to the New Manufacturing Plant as well.

Presently, we have completed the following concerning the construction of the New Manufacturing Plant:

- Engaged a consultant to design the New Manufacturing Plant in May 2021;
- Submitted building plans for the New Manufacturing Plant to authorities in December 2021;
- Received approval on building plans from the authorities in November 2022; and
- Applied to the authorities for amendments of the approved building plan to increase the built-up area of production and storage space within Lot 815 in August 2023.

The indicative timeline for obtaining approval for the revised building plan, constructing the New Manufacturing Plant, ordering the new machinery and equipment, and setting-up the new fabrication operations at Lot 815 is as follows:

Indicative timeline	Milestones
<b>First half of 2024</b>	<ul style="list-style-type: none"> <li>• Obtain approval for the revised building plan</li> <li>• Engage a main contractor to construct the New Manufacturing Plant</li> <li>• Commence construction works for the New Manufacturing Plant (estimated to take 10 months to complete)</li> <li>• Place order for the new machinery and equipment</li> </ul>
<b>Second half of 2024</b>	<ul style="list-style-type: none"> <li>• Complete construction works of the New Manufacturing Plant</li> </ul>
<b>First half of 2025</b>	<ul style="list-style-type: none"> <li>• Obtaining relevant approvals, licenses and/or certificates from the authorities which include, among others, the following:               <ol style="list-style-type: none"> <li>(a) Certificate of Completion and Compliance for the New Manufacturing Plant;</li> <li>(b) Manufacturing License from the MITI;</li> <li>(c) Manufacturing Warehouse License from the Royal Malaysian Customs Department;</li> <li>(d) Business Premise and Advertisement License from MBBJ; and</li> <li>(e) Certificate of fitness for the new machinery and equipment from the Department of Occupational Safety and Health</li> </ol> </li> <li>• Commence setting up of the new machinery and equipment</li> <li>• Complete setting up, installation, testing and commissioning of the new machinery and equipment</li> </ul>
<b>Second half of 2025</b>	<ul style="list-style-type: none"> <li>• Commence fabrication operations at the New Manufacturing Plant</li> <li>• Conduct ISO 9001-series quality and ISO 14001-series environmental management system audits of the New Manufacturing Plant</li> </ul>
<b>First half of 2026</b>	<ul style="list-style-type: none"> <li>• Receive ISO 9001-series and ISO 14001-series certifications for the New Manufacturing Plant</li> </ul>

#### 4. DETAILS OF OUR IPO (CONT'D)

If the total actual cost for the construction of the New Manufacturing Plant exceeds the aforesaid amount as estimated, the shortfall will be funded via our internally generated funds and/or bank borrowings. Any surplus from the Public Issue proceeds earmarked for this purpose will be used for our Group's working capital purposes.

##### 4.8.2 Part finance the purchase of new machinery and equipment

In conjunction with our relocation of Lot 58 operations to the New Manufacturing Plant, we intend to purchase new manufacturing machinery and equipment for installation at the New Manufacturing Plant. The types of these new machinery and equipment as well as the total estimated cost are set out as follows:

Types of machinery and equipment	Intended no. of units to be purchased	Total estimated cost (RM'000)
<b>Machinery and equipment</b>		
CNC laser cutting and/or turret-punching machines	(1)4	14,973
CNC milling machines	9	10,917
CNC turning machines	3	735
CNC bending machines	3	8,689
Surface coating lines	(2)2	4,013
Welding machines	(3)6	980
Rotary tables	2	196
Welding tables	6	824
Spot welding machines	2	95
<b>Other machinery and equipment</b>		
Coordinate measuring machine	1	970
<b>Total</b>		<b>42,392</b>

Notes:

- (1) Purchase of 2 units of CNC laser cutting and/or turret punching machines will be used to retire the 2 similar existing machines in Lot 58.
- (2) Comprising 1 automated zinc electroplating line and 1 automated powder coating line.
- (3) Comprising 4 units of CNC robotic-arm laser welding machines and 2 units of hand-held laser welding sets.

Our Group intends to utilise RM25.03 million of our Public Issue proceeds to partly fund our aforementioned purchase of new machinery and equipment, while the remaining costs of RM17.36 million will be met via our Group's internally generated funds and/or bank borrowings.

These new machinery and equipment that we intend to purchase have better fabrication parameters and/or added functionality compared to our existing machines, which are further set out in Section 7.17.3 of this Prospectus.

As at the LPD, our Group has not incurred any costs for the aforesaid purchase of new machinery and equipment. We expect to place order for the new machinery and equipment by the first half of 2024. The new machinery and equipment will be installed at the New Manufacturing Plant by the first half of 2025.

The estimated cost for the aforementioned new machinery and equipment was derived based on suppliers' quotations. Nonetheless, we have not procured or entered into any binding arrangements for the purchase of these new machinery and equipment. Therefore, the estimated cost for these machinery and equipment may change if the quotations obtained are being revised. If the total actual cost for the purchase of these new machinery and equipment exceeds the aforesaid amount as estimated, the shortfall will be funded via our internally generated funds and/or bank borrowings. Any surplus from the Public Issue proceeds earmarked for this purpose will be used for our Group's working capital purposes.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.8.3 Estimated listing expenses

We have allocated RM6.00 million from our Public Issue proceeds to meet the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Description	Total RM'000
Professional fees <sup>(1)</sup>	3,343
Fees payable to authorities	96
Underwriting, placement and brokerage fees	1,655
Printing and advertising fees	159
Other incidental charges relating to our Listing <sup>(2)</sup>	747
<b>Total</b>	<b>6,000</b>

Notes:

- (1) Include fees for, amongst others, the Principal Adviser, Reporting Accountants, Solicitors, IMR, Internal Control Consultant, Company Secretary and Issuing House.
- (2) Include incidental or related expenses in connection with our IPO such as media related expenses and IPO event expenses, and contingencies.

If our actual listing expenses exceed the RM6.00 million of Public Issue proceeds allocated, the deficit will be funded from our internally generated funds. Conversely, if the actual listing expenses are lower than the amount allocated, the excess will be reallocated to fund the construction of the New Manufacturing Plant.

#### 4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE

##### 4.9.1 Brokerage fee

We will bear the brokerage fees to be incurred on the issue of the 90,500,000 Issue Shares pursuant to our IPO under Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of TA Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House. The brokerage fee is subject to SST.

##### 4.9.2 Underwriting commission

TA Securities, as our sole Underwriter, has agreed to underwrite 57,500,000 Issue Shares as set out in Section 4.3.1(i) of this Prospectus. We will pay our Underwriter an underwriting commission at the rate of 2.50% of the total value of the Shares underwritten at the IPO Price. The underwriting commission is subject to SST.

##### 4.9.3 Placement fee

TA Securities, as our Placement Agent, has agreed to place out the 182,700,000 Issue Shares made available by way of private placement to selected investors as well as Bumiputera investors approved by MITI as set out in Sections 4.3.1(iii) and 4.3.1(iv) of this Prospectus respectively. We will pay our Placement Agent a placement fee at the rate of up to 2.50% of the total value of the Issue Shares placed out by the Placement Agent at the IPO Price. The placement fee is subject to SST.



#### 4. DETAILS OF OUR IPO (CONT'D)

TA Securities has also agreed to place out the 46,000,000 Offer Shares made available by way of private placement to selected investors as set out in Section 4.3.2 of this Prospectus at the same placement fee rate. The placement fee to be incurred on the sale of the Offer Shares will be fully borne by our Offerors.

As our Placement Agent, TA Securities is entitled to charge brokerage commission of up to 1.00% to successful applicants under our offering as set out in Sections 4.3.1 (iii) and 4.3.2 of this Prospectus. For the avoidance of doubt, such brokerage commission will be paid by the relevant successful applicants and will not be borne by us nor the Offerors.

##### 4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Our Company had on 28 December 2023 entered into an Underwriting Agreement with our Underwriter, whereby our Underwriter had agreed to underwrite 57,500,000 Issue Shares, which will be made available for application by the Malaysian Public via balloting ("**Underwritten Shares**"), upon the terms and subject to the conditions therein contained.

The salient terms of the Underwriting Agreement are as follows:

##### **Conditions precedent**

- (i) The several obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon:
  - (a) The acceptance of the Listing and the clearance of registrable Prospectus from Bursa Securities, the approval from the SC for the resultant equity structure of the Company and the lodgement of registrable Prospectus with the Companies Commission of Malaysia respectively together with copies of all documents required under Section 154 of the Act prior to the issuance of the Prospectus to the public;
  - (b) The issuance of the Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date thereof or such extension as consented by the Underwriter;
  - (c) There having been, as at any time thereafter up to and including the date adopted in the Prospectus as the last date for acceptance and receipt of application for the subscription to the Issue Shares or such other later date as the Company and the Underwriter may agree upon ("**Closing Date**"), no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of the Group (which in the reasonable opinion of the Underwriter is or will be material in the context of the issue of the Issue Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement if they are repeated on and as of the Closing Date;
  - (d) The issue, offering and subscription of the Issue Shares in accordance with the provisions thereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);

#### 4. DETAILS OF OUR IPO (CONT'D)

- (e) The approval for the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market and the approval-in-principle for the registration of the Prospectus remaining valid and have not been revoked or amended and all other necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect;
- (f) The Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in the Underwriting Agreement;
- (g) The delivery to the Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Paragraph (i)(c) above;
- (h) The delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Board as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of the Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement as though they have been given and/or made on such date; and
- (i) The Underwriter being satisfied that the Company will, following completion of the Public Issue be admitted to the Official List and its issued share capital listed and quoted on the ACE Market without undue delay.

(collectively, the “**Conditions Precedent**”)

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

#### **Termination**

- (iii) Notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:

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**4. DETAILS OF OUR IPO (CONT'D)**

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- (a) There is any breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution of the Issue Shares; or
- (b) There is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (c) There shall have occurred, happened or come into effect in the opinion of the Underwriter any material and/or adverse change to the business or financial condition, or operation of the Group; or
- (d) There shall have occurred, happened or come into effect any of the following circumstances:
  - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
  - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Group and the success of the Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
  - (iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
    - (1) on or after the date of the Underwriting Agreement; and
    - (2) prior to the allotment of the Issue Shareslower than 90% of the level of the Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 Market Days; or

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**4. DETAILS OF OUR IPO (CONT'D)**

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- (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
  - (e) There is failure on the part of the Company to perform any of their respective obligations herein contained; or
  - (f) Any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
  - (g) Any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on the Company pursuant to the indemnities contained under the Underwriting Agreement; or
  - (h) The Listing does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be agreed by the Underwriter; or
  - (i) The imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares up to the date of delivery of the Underwriting Notice to the Underwriter.
- (iv) Upon such notice(s) being given under Paragraph (iii) above, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination (including the refund of full amount of such subscription monies paid to the Company for such portion of the Underwritten Shares), for the payment of any taxes, duties or levies, underwriting commission as stated in the Underwriting Agreement, or such outstanding fees pursuant to the Underwriting Agreement, and for any antecedent breach, and its undertaking to indemnify the Underwriter pursuant to the provisions of the Underwriting Agreement.
- (v) Any underwriting commission payable to the Underwriter shall remain payable to the Underwriter notwithstanding the termination of the Underwriting Agreement or the cancellation, termination or withdrawal of obligations of the Underwriter for any reasons whatsoever, unless such termination or cancellation or withdrawal is due to the default of the Underwriter and in which event, the Underwriter shall not be entitled to its underwriting commission. For the avoidance of doubt, the underwriting commission shall remain payable notwithstanding an oversubscription of the Underwritten Shares. In addition, the Company shall pay the parties to the Underwriting Agreement all relevant fees, commission and expenses notwithstanding the failure of the Company to proceed with the listing of the Company.

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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**

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality/ Place of incorporation	Before our IPO / As at the LPD		After our IPO					
		Direct		Direct					
		No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%		
<b>Promoters and substantial shareholders</b> Wong Kim Fatt Ban Kim Wah Loo Sok Ching	Malaysian	460,320,000	52.50	(3)197,280,000	22.50	(5)426,320,000	37.07	(3)197,280,000	17.16
	Malaysian	164,399,500	18.75	-	-	(6)152,399,500	13.25	-	-
	Malaysian	6,867,000	0.78	(4)650,733,000	74.22	6,867,000	0.60	(4)616,733,000	53.63
<b>Promoter</b> Wong Chun Wei	Malaysian	-	-	-	-	-	-	-	-
<b>Substantial shareholders</b> Wencor Tai Yuan Heng	Malaysia	190,413,000	21.72	-	-	190,413,000	16.56	-	-
	Malaysian	54,800,500	6.25	-	-	54,800,500	4.77	-	-

**Notes:**

- (1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions but before our IPO / as at the LPD.
- (2) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his spouse's interest as well as his shareholding in Wencor pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her spouse's interest as well as her shareholding in Wencor pursuant to Section 8 of the Act.
- (5) After the sale of 34,000,000 Shares pursuant to the Offer for Sale.
- (6) After the sale of 12,000,000 Shares pursuant to the Offer for Sale.

Save for our Promoters and substantial shareholders named above, we are not aware of any other persons who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

As at the LPD, the Shares held by our Promoters and substantial shareholders have the same voting rights and there is no arrangement between our Company and our shareholders with third parties, the operation of which may at a subsequent date result in a change in control of our Company.

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

**5.1.2 Changes in our Promoters' and/or substantial shareholders' shareholdings**

The changes in the shareholdings of our Promoters and substantial shareholders in our Company since our incorporation on 1 March 2023 up to the LPD are as follows:

Name	As at incorporation			After the Acquisitions and as at the LPD			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	No. of Shares	(1)%	No. of Shares	(1)%
<b>Promoters and substantial shareholders</b>							
Wong Kim Fatt	-	-	-	460,320,000	52.50	<sup>(2)</sup> 197,280,000	22.50
Ban Kim Wah	1,000	100.00	-	164,399,500	18.75	-	-
Loo Sok Ching	-	-	-	6,867,000	0.78	<sup>(3)</sup> 650,733,000	74.22
<b>Promoter</b>							
Wong Chun Wei	-	-	-	-	-	-	-
<b>Substantial shareholders</b>							
Wencor	-	-	-	190,413,000	21.72	-	-
Tai Yuan Heng	-	-	-	54,800,500	6.25	-	-

**Notes:**

- (1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions but before our IPO.
- (2) Deemed interested by virtue of his spouse's interest as well as his shareholding in Wencor pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of her spouse's interest as well as her shareholding in Wencor pursuant to Section 8 of the Act.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.1.3 Profiles of Promoters and substantial shareholders

#### (i) **Wong Kim Fatt**

*Promoter and substantial shareholder*

Wong Kim Fatt, a Malaysian male aged 66, is our Promoter and substantial shareholder. He attended secondary education at Dato Jaafar Secondary School, Johor up to 1975.

He began his career in 1976 as a trainee in a hardware trading business in Johor Bahru and left this employment in 1980.

In 1980, he set up Syarikat Wanfy, which is a partnership business involved in the trading of hardware. In 1982, he set up Wanfy to assume the business operations of Syarikat Wanfy and the company gradually grew into the business of a dealer and distributor of general hardware and spare parts of equipment and machinery. He held the position of a director and shareholder of the company from 1982 until 2020.

In 2000, Wong Kim Fatt co-founded WESB to venture into metal fabrication business. He was then mainly involved in the day-to-day operations and overall development of WESB as a director and shareholder. In 2008, he co-founded WEPL to facilitate the sale of WESB's products to customers in Singapore. From 2018, he reduced his involvement in the business operations of WESB and WEPL to focus on the day-to-day operations of Wencor. He continued to hold the position of a director of WESB and WEPL until 2022. Subsequently, he was appointed as an Advisor in WESB from November 2022 until end of February 2023 and in WEPL from January 2023 to April 2023 to provide strategic advice and guidance in developing the business of the aforesaid companies. In March and April 2023, he discontinued his role as an Advisor of WESB and WEPL respectively.

He currently focuses on the day-to-day operations of Wencor, a company in which he is a director and major shareholder. Wencor is principally involved in supply chain management of vacuum cleaner spare parts and manufacturing of plastic injection moulding.

#### (ii) **Loo Sok Ching**

*Promoter and substantial shareholder*

Loo Sok Ching, a Malaysian female aged 65, is our Promoter and substantial shareholder. She obtained her Malaysian Certificate of Education from Sekolah Menengah Inggeris Batu Pahat, Johor in 1976.

She began her career in 1977 as an administrative and clerical personnel in a hardware trading business in Johor Bahru and left this employment in 1982.

In 1982, she joined Wanfy as an administrative and clerical personnel. Throughout her years in the company, she gradually assumed the role of overseeing the overall finance and administrative functions of the company up to her departure in 1997.

In 1997, she joined TS Heuls, a chemical trading and wastewater treatment plant maintenance services company, as a General Manager overseeing the finance and administrative functions. She has been the director of the company since 2007 and she is currently responsible for managing both the revenue and cost of the company.

In 2007, she became a director and a shareholder of 5E Resources, a company involved in the provision of scheduled waste management services, to oversee the day-to-day operations of the company. She is currently mainly responsible for the overall corporate strategy of the company as a director.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

She was also a director of WESB from 2005 to 2022, and WEPL from 2008 to 2022, but was not involved in the day-to-day operations of these companies.

Since 2021, she has been the Chairman and Executive Director of 5E Resources Limited, which is the holding company of 5E Resources and TS Heuls, and a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. She is mainly responsible for the overall corporate strategy of the group, spanning across all business segments such as marketing, research and development, logistics, finance and operations.

### (iii) **Ban Kim Wah**

*Promoter, substantial shareholder and Non-Independent Non-Executive Chairman*

Ban Kim Wah, a Malaysian male aged 61, is our Promoter, substantial shareholder and Non-Independent Non-Executive Chairman. He was appointed to our Board on 1 March 2023. Leveraging on his experience in the industry in which our Group operates, he is mainly responsible for leading our Board in the collective oversight of our Group's management as well as overseeing our Group's corporate governance framework in complying with the relevant legal and regulatory requirements governing our Group's operations.

Ban Kim Wah obtained his Malaysian Certificate of Education from Dato Jaafar Secondary School, Johor in 1980. He began his career in 1981 as a sales personnel in Syarikat Wanfy mainly responsible for marketing and sourcing of materials. He subsequently joined Wanfy in 1982 undertaking similar job roles. He remained in this role until his departure from the company in 1997.

In 1997, he co-founded TS Heuls to trade chemicals as well as to provide maintenance services for wastewater treatment plants. He has been a director of the company since then until 2021.

In 2000, he co-founded WESB as a shareholder, and assumed the role of a director of WESB since 2003. He also subsequently became a director of WEPL in 2011. His involvement in the business operations of WESB and WEPL were mainly on overseeing the development of international markets of the companies. From 2018, he reduced his involvement in the business operations of WESB and WEPL to focus on the day-to-day operations of his personal business. He subsequently resigned as a director of WESB and WEPL in March 2023 and assumed the role of Non-Independent Non-Executive Chairman of Wentel Engineering in the same month.

### (iv) **Wong Chun Wei**

*Promoter and Non-Independent Executive Director*

Wong Chun Wei, a Malaysian male aged 37, is our Promoter and Non-Independent Executive Director. He was appointed to our Board on 1 March 2023. He is mainly responsible for our Group's corporate development and strategy functions as well as sales and customer service activities.

He graduated with a Bachelor of Economics from La Trobe University, Australia in 2012.

He began his career in 2013 when he joined Golden Oriental Realty Sdn Bhd, a property development company, as a director where he was mainly responsible for overseeing the company's development of a high-rise residential project in Johor Bahru as well as managing the day-to-day operations of the company. He was also responsible for the overall marketing strategies of the company in regard to the sale of properties under the said project.



## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Since 2018, his involvement in the business operations of Golden Oriental Realty Sdn Bhd is limited as properties under the aforesaid project have been more than 70% sold. As at the LPD, he is still a director of Golden Oriental Realty Sdn Bhd but is not involved in the day-to-day operations of the company.

In 2018, he joined 5E Resources group of companies as an assistant to the Managing Director mainly responsible for assisting in managing the day-to-day operations of the group. In 2020, he was promoted to Head of Business Development, where he was responsible for helping the group enter into new markets and for introducing and marketing its capabilities and expertise to new and existing customers. He left the group in 2022.

In 2022, he joined WESB as a director where he was mainly responsible for developing and executing marketing strategies aimed at further enhancing the company's market presence. He has been participating in sales and marketing meetings with our customers since then to understand their requirements and to further develop his understanding of our business operations and the industry that we operate in.

In 2023, he assumed the role of Non-Independent Executive Director of our Company where he currently oversees our Group's corporate development and strategy functions as well as sales and customer service activities.

His past experience in managing the overall business operations of Golden Oriental Realty Sdn Bhd as well as the day-to-day operations and business development functions of 5E Resources group of companies, totalling approximately 9 years prior to joining WESB, will support his roles in leading our Group's corporate development and strategy activities as well as supervising and strengthening our Group's sales and customer service activities moving forward. His business development experience will also facilitate the expansion of our Group's customer base and product range to support our continued growth.

(v) **Wencor**  
*Substantial Shareholder*

Wencor was incorporated on 23 July 2002 in Malaysia under the Companies Act 1965 as a private limited company and is deemed registered under the Act. Wencor was incorporated under the name of Wentel Corporation Sdn Bhd and subsequently changed its name on 21 November 2023 to Wencor (M) Sdn Bhd. As at the LPD, the issued share capital of Wencor is RM5,083,750 comprising 5,083,750 ordinary shares. Wencor is principally involved in supply chain management of vacuum cleaner spare parts and manufacturing of plastic injection moulding.

As at the LPD, the directors of Wencor are Wong Kim Fatt, Loo Sok Ching and Wong Ying Wei. The shareholders of Wencor as at the LPD are as follows:

Shareholders	No. of shares	% shareholding
Wong Kim Fatt	2,088,241	41.08
Loo Sok Ching	2,995,509	58.92
<b>Total</b>	<b>5,083,750</b>	<b>100.00</b>

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### (vi) **Tai Yuan Heng** *Substantial Shareholder and General Manager*

Tai Yuan Heng, a Malaysian male aged 54, is our General Manager. He is mainly responsible for overseeing our Group's day-to-day production operations.

He obtained his Malaysian Certificate of Education from Sekolah Menengah Seri Kota Melaka in 1987. He began his career in 1988 when he joined an engineering company involved in metal fabrication in Singapore as a technician where he learned various techniques used in metal fabrication such as welding, drilling and grinding. He left the company in 1991.

In 1991, he joined Hup Fatt Brothers Engineering Pte Ltd, a company involved in fabrication of precision sheet metal products in Singapore, as a technician where he was part of the manufacturing operations responsible for the production of metal products. In 1994, he was transferred to HFB Technologies (M) Sdn Bhd to assume the role of Plant Manager where he was mainly responsible for monitoring the company's factory operations and supervising factory workers involved in the production of metal products and structures. He left the company in 2000.

In 2000, he co-founded WESB as a shareholder and held the position of director of the company since then. As director and Factory Manager of WESB since its incorporation and subsequently as General Manager of our Group since 2023, his main responsibilities include overseeing our Group's day-to-day production operations, supervising production workers and production planning.

#### 5.1.4 Promoters and substantial shareholders' remuneration and benefit

Save as disclosed below (all being remuneration and material benefits in-kind for services rendered to our Group in all capacities), there are no other amount or benefits that has been paid or is intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus:

<b>Name</b>	<b>FYE 2022 (Actual) RM'000</b>	<b>FYE 2023 (Proposed) RM'000</b>
Wong Kim Fatt	927	<sup>(1)</sup> 168
Loo Sok Ching	547	-
Ban Kim Wah	299	<sup>(2)</sup> 41
Wong Chun Wei	188	360
Tai Yuan Heng	508	383

#### Notes:

- (1) Being remuneration paid to him as Advisor of WESB and WEPL up to February and April 2023 respectively.
- (2) Being remuneration paid to him as a director of WESB up to February 2023.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.2 DIRECTORS

5.2.1 Our Board comprises the following members (all of whom are Malaysian):

Name	Age	Gender	Date of Appointment	Designation
Ban Kim Wah	61	Male	1 March 2023	Non-Independent Non-Executive Chairman
Wong Chun Wei	37	Male	1 March 2023	Non-Independent Executive Director
Soo Wee Loon	47	Female	1 June 2023	Independent Non-Executive Director
Wang Sze Min	50	Female	1 June 2023	Independent Non-Executive Director
Siow Chin How	44	Male	1 June 2023	Independent Non-Executive Director

### 5.2.2 Profiles of Directors

The profiles of our Non-Independent Non-Executive Chairman and Non-Independent Executive Director, namely Ban Kim Wah and Wong Chun Wei respectively, who are also our Promoters, are disclosed in Section 5.1.3 of this Prospectus.

The profiles of our Independent Non-Executive Directors are as follows:

(i) **Soo Wee Loon**  
*Independent Non-Executive Director*

Soo Wee Loon, a Malaysian female aged 47, is our Independent Non-Executive Director. She was appointed to our Board on 1 June 2023. She is the Chairman of our Nomination Committee and also a member of our Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Laws (Hons) from University of Liverpool, United Kingdom in 1996. After her graduation, she completed her Bar Practice Course in the Honourable Society of Lincoln's Inn in the United Kingdom in 1998 and undertook her pupillage with Messrs. Nijar, Kumar Netto & Partners in Johor Bahru from 1998 until 1999. She was subsequently called to the Malaysian Bar in 1999.

In 2000, she began her legal practice in Messrs Balwant Singh Sidhu & Co as a Legal Assistant where she was mainly assisting in the preparation work for civil litigation cases. She left the firm in 2003 and in the same year joined Messrs P.Y. Tng & Soo as a Partner where she was mainly providing legal services on both litigation and conveyancing matters. She ceased to be a Partner of the firm in 2004.

In 2004, she joined Messrs Neo & Soo as a Partner, where she continued to focus on litigation and conveyancing matters. She ceased to be a Partner of the firm in 2007.

Since May 2007, she has been a Partner of Messrs Wang & S.B. Wong where she focuses on the practice of corporate and conveyancing matters as well as overseeing the operations of the firm.

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

**(ii) Wang Sze Min**  
*Independent Non-Executive Director*

Wang Sze Min, a Malaysian female aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 1 June 2023. She is the Chairman of our Remuneration Committee and also a member of our Audit and Risk Management Committee and Nomination Committee.

She graduated from University of Adelaide, Australia with a Bachelor of Commerce in 1997. Since 2001, she is a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

She began her career in 1997 as an Audit Assistant in HL Lim & Co and was subsequently promoted to Audit Senior and Audit Manager in 1999 and 2003 respectively. As an Audit Manager, she was involved in both audit assignments as well as overseeing the operations of the firm's branch office. She left the firm in 2007.

In 2007, she started to provide accounting services to small and medium businesses under Wang Accounting Services, a sole proprietorship. She further assumed the role of Chief Operations Officer of TJ Wang Accounting Management Sdn Bhd, a company principally involved in providing management and consultancy services to clients, since 2017 where she is mainly responsible for the operations of the company including resources planning and customer management.

Since 2021, she also provides management and consultancy services as a Partner of Wang & Partners PLT, a limited liability partnership. As at the LPD, she is concurrently involved in her roles in Wang Accounting Services, TJ Wang Accounting Management Sdn Bhd and Wang & Partners PLT.

**(iii) Siow Chin How**  
*Independent Non-Executive Director*

Siow Chin How, a Malaysian male aged 44, is our Independent Non-Executive Director. He was appointed to our Board on 1 June 2023. He is the Chairman of our Audit and Risk Management Committee and also a member of our Remuneration Committee and Nomination Committee.

He graduated with a Bachelor of Arts (Hons) in Accountancy and Finance from University of Abertay Dundee, United Kingdom in 2002. He subsequently obtained a Master of Business Administration from Victoria University, Australia in 2006. He became a Chartered Member of The Institute of Internal Auditors Malaysia (CMIIA) in 2008. Since 2015, he is also a member of Certified Practising Accountants of Australia (CPA Australia), a Chartered Accountant of Singapore of the Institute of Singapore Chartered Accountants and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

He began his career in 2002 as an Internal Auditor in Persekutuan Tiong-Hua, Johor Baru, a company that is an association principally involved in, among others, advancing and sustaining the welfare of the Chinese in Malaysia. He was then mainly involved in evaluating the adequacy of the system of internal controls of the company. He left this employment in 2003.

In 2003, he joined Maya Manufacturing & Trading Company (Malaysia) Sdn Bhd, a company principally involved in supplies and trading of food and sundries items, as an Internal Auditor. He was then mainly responsible for evaluating the adequacy of and recommending improvements in internal controls of the company as well as assessing various departments' compliance with the company's policies and procedures.

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

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In 2010, he assumed the role of Head of Corporate Division in Maya Asia Resources Sdn Bhd, which is the holding company of Maya Manufacturing & Trading Company (Malaysia) Sdn Bhd principally involved in investment holding, to oversee the overall corporate matters of the company. Since 2014, he has been the Finance Director of the company mainly responsible for internal audit, internal control and finance functions as well as corporate matters of the company.

Since 2015, he has also been the Chief Financial Officer of Maya Asia Resources Pte Ltd, a subsidiary of Maya Asia Resources Sdn Bhd in Singapore, where he is mainly responsible for the overall finance functions of the company.

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

**5.2.3 Directors' shareholdings**

The shareholdings of our Directors in our Company before and after our IPO are as follows:

Name	Before our IPO / As at the LPD		After our IPO	
	Direct No. of Shares (1)%	Indirect No. of Shares (1)%	Direct No. of Shares (2)%	Indirect No. of Shares (2)%
Ban Kim Wah	164,399,500 18.75	-	(3)152,399,500 13.25	-
Wong Chun Wei	-	-	-	-
Soo Wee Loon	-	-	(4)300,000 0.03	-
Wang Sze Min	-	-	(4)300,000 0.03	-
Siow Chin How	-	-	(4)300,000 0.03	-

**Notes:**

- (1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions but before our IPO / as at the LPD.
- (2) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.
- (3) After the sale of 12,000,000 Shares pursuant to the Offer for Sale.
- (4) Assuming that he / she fully subscribes for the Pink Form Shares allocated to him / her.

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

**5.2.4 Principal directorships and business activities performed outside our Group**

Save as disclosed below, none of our Directors has any involvement in business activities and directorships in any other businesses/corporations outside our Group for the past 5 years preceding the LPD:

**(i) Ban Kim Wah**

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement</b>						
Sunrise Super Land Sdn Bhd	Director	10 July 2013	-	-	-	Property investment
BNX Delight Sdn Bhd	Shareholder	9 January 2002	23 February 2023	-	(1)50.00	To carry on the business of operating restaurants, online trading of food products and beverages
DF Delight Sdn Bhd	Shareholder	5 December 2011	23 February 2023	-	(1)30.00	Providing catering services
BNX JJ Sdn Bhd	Shareholder	17 June 2008	23 February 2023	-	(1)50.00	Restaurants
BNX Delight Holding Sdn Bhd	Shareholder	9 June 2008	23 February 2023	50.00	-	Providing management services and serving as central kitchen to supply food materials to its subsidiary companies
BNX Takahara Sdn Bhd	Shareholder	18 June 2009	23 February 2023	-	(1)50.00	Restaurant and providing catering services
TMT Delight Sdn Bhd	Shareholder	5 December 2011	23 February 2023	-	(1)50.00	To carry on the business as restaurants, café and dealing in all kinds of pastry, bread, cake and dessert

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

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement (cont'd)</b> BNX (Bukit Indah) Sdn Bhd	Director and Shareholder	29 September 2008	-	50.00	-	To carry on the business as investment holding company. As at the LPD, BNX (Bukit Indah) Sdn Bhd has no investment in any company
Minkacap Berhad	Shareholder	-	-	0.22	-	Activities of holding companies. As at the LPD, Minkacap Berhad holds shares in Minka Indah Sdn Bhd, which is involved in the business of maternity home services (outside hospital) and restaurants
5E Resources Limited <sup>(2)</sup>	Shareholder	-	-	11.46	<sup>(3)</sup> 47.20	A company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited with subsidiaries principally engaged in scheduled waste management services, sale of recovered and recycled products, and chemical trading



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

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Past involvement</b>						
TS Heuls	-	10 July 1997	17 December 2021	(4)-	-	Trading of chemical products and maintaining water treatment plant
5E Resources	-	26 November 2008	13 May 2010	(4)-	-	Waste disposal management, recycling of chemical products, transportation of the waste and warehousing of recycled and recovered products
5E Holdings Sdn Bhd	-	-	-	(4)-	-	Activities of holding companies. As at the LPD, 5E Holdings Sdn Bhd holds shares in 5E Resources (direct holding) and TS Heuls (indirect holding via 5E Resources), principal activities of whom are set out above
GSP Cooperation Sdn Bhd	-	29 April 2019	9 February 2023	(4)-	-	Wholesale of a variety of goods without any particular specialisation NEC, export and import of a variety of goods without a particular specialisation NEC (Dissolved on 8 November 2023)
All Fresh Delight Sdn Bhd	-	-	-	(4)-	-	Mushroom cultivation development project or in connection with agriculture

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

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Past involvement (cont'd)</b>						
Angkasa Sejati Holdings Sdn Bhd	-	15 August 2013	15 August 2022	(4)-	-	Cultivating and selling fresh mushrooms (Dissolved on 15 August 2022)
BNX City Sdn Bhd	-	1 October 2005	26 April 2022	(4)-	-	Operating restaurant services (Dissolved on 26 April 2022)
BNX (Central) Sdn Bhd	-	17 November 2008	26 April 2022	(4)-	-	Restaurant (Dissolved on 26 April 2022)
BNX Sutera Sdn Bhd	-	9 June 2008	23 February 2022	(4)-	-	Operating restaurants (Dissolved on 23 February 2022)

**Notes:**

- (1) Deemed interested by virtue of his shareholding in BNX Delight Holding Sdn Bhd pursuant to Section 8 of the Act.
- (2) Incorporated in Singapore.
- (3) Deemed interested by virtue of the shareholdings of Wong Kim Fatt and Loo Sok Ching pursuant to Section 7 of the CA of Singapore and Section 4 of the Securities and Futures Act 2001 of Singapore.
- (4) Previously a direct shareholder.

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

(ii) **Wong Chun Wei**

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement</b>						
Golden Oriental Realty Sdn Bhd	Director	22 August 2013	-	-	-	Property developer
Flexiwin Properties Sdn Bhd	Director and Shareholder	19 April 2018	-	50.00	-	Property developer
Flexiwin Capital Sdn Bhd	Director and Shareholder	26 February 2015	-	50.00	-	Properties of café, bistro, restaurant, baker and confectioners <sup>(1)</sup>
Grandhill Property Sdn Bhd	Shareholder	-	-	0.05	-	To acquire property for investment and realty management purposes
WHSB	Shareholder	-	-	8.00	-	Activities of an investment and property holding companies; property development and assets management; planters, cultivators, sellers, purchasers, distributors, importers, exporters, stockist of durians, tropical fruits and other agricultural crops within domestic and overseas.
						As at the LPD, WHSB has no investment in any company

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

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Past involvement</b>						
Race Motorsport Engineering Sdn Bhd	-	10 October 2018	15 January 2021	(2)	-	Wholesale of a variety of goods without any particular specialisation NEC, repair and maintenance of motorcycles
JWW F&B & Retail Sdn Bhd	-	18 July 2018	13 July 2020	-	-	Department stores, restaurants (Dissolved on 16 September 2022)
JWW Holding Sdn Bhd	-	18 July 2018	16 September 2022	(2)	-	Real estate activities with own or leased property NEC (Dissolved on 16 September 2022)
Lumina Edutainment Sdn Bhd	-	24 July 2018	8 December 2020	-	-	Other education NEC (Dissolved on 16 September 2022)
5E Holdings Sdn Bhd	-	23 November 2020	22 June 2022	-	-	Activities of holding companies. As at the LPD, 5E Holdings Sdn Bhd holds shares in 5E Resources (direct holding) and TS Heuls (indirect holding via 5E Resources), principal activities of whom are set out in Section 5.2.4(i) above

**Notes:**

(1) Pursuant to its latest audited financial statements for the financial year ended 31 March 2023, the company has ceased its business operation in April 2018.

(2) Previously a direct shareholder.

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

(iii) **Soo Wee Loon**

Company / Firm	Position held as at the LPD	Date appointed as director / partner	Date resigned as director / partner	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement</b>						
Bright Aim Capital Sdn Bhd	Director and Shareholder	13 September 2012	-	30.00	-	Investment property
Mewah Sejahtera Sdn Bhd	Director	21 June 2012	-	-	-	Property investment
Messrs Wang & S.B. Wong	Partner	1 May 2007	-	-	-	Law firm

(iv) **Wang Size Min**

Company / Firm	Position held as at the LPD	Date appointed as director / partner	Date resigned as director / partner	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement</b>						
TJ Wang Accounting Management Sdn Bhd	Director and Shareholder	3 September 1997	-	16.08	-	Provision of management and consultancy services
Johore Bahru Foon Yew Associated Chinese Schools	Director	1 January 2020	-	-	-	To provide, promote and support the education of the students of their schools
Wang Accounting Services	Sole Proprietor	(1)-	-	100.00	-	Commercial management and accounting services
Wang & Partners PLT	Partner	11 November 2021	-	50.00	-	Accounting, bookkeeping and auditing activities; tax consultancy

Note:  
(1) Wang Size Min became the sole proprietor on 1 January 1998.

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

(v) Siow Chin How<sup>(1)</sup>

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement</b>						
Maya Manufacturing & Trading Company (Malaysia) Sdn Bhd	Director	8 December 2014	-	-	-	Supplies and trading of food and sundries items
Johore Bahru Foon Yew Associated Chinese Schools	Director	1 January 2018	-	-	-	To provide, promote and support the education of the students of their schools
Maya Asia Resources Sdn Bhd	Director	25 August 2014	-	-	-	Investments holding <sup>(2)</sup>
Maya Asia Holdings Sdn Bhd	Director	15 December 2014	-	-	-	Investment of properties
Maya Packaging Industries Sdn Bhd	Director	15 December 2014	-	-	-	Manufacturer of "IRO" reverse osmosis drinking water and "PET" plastic bottle
Maya Plastic Sendirian Berhad	Director	15 December 2014	-	-	-	Manufacturing and trading of plastic products and providing moulding services on plastic products
Maju Jaya Holdings Sdn Bhd	Director	16 March 2015	-	-	-	Property investment and rental collection services

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

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement (cont'd)</b>						
Bebe Malaysia Sdn Bhd	Director	1 January 2020	-	-	-	To carry on the business of pharmaceutical, health, cosmetic and baby products, trading of manufactured goods, materials and general merchandise
5E Resources Limited	Independent Non-Executive Director	18 October 2021	-	-	-	A company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited with subsidiaries principally engaged in scheduled waste management services, sale of recovered and recycled products, and chemical trading
<b>Past involvement</b>						
Mosfly International Sdn Bhd	-	29 November 2013	20 June 2019	-	-	Wholesale of other household goods NEC
Exotic Fiesta Sdn Bhd	-	13 December 2013	5 June 2020	-	-	Property investment holding
Sanbury Capital Sdn Bhd	-	7 April 2022	21 September 2022	-	-	Activities of holding companies. As at the LPD, Sanbury Capital Sdn Bhd has no investment in any company

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

Notes:

(1) As a company incorporated under the CA of Singapore, WEPL is required to have at least one Resident Director on its board of directors to comply with the Resident Director Requirement.

Siow Chin How was a Resident Director of WEPL from 22 April 2022 to 28 April 2022. His appointment arose at the request of Wong Kim Fatt and Loo Sok Ching in order for WEPL to comply with the Resident Director Requirement. The said request was made following the resignation of WEPL's then existing Resident Director on 22 April 2022. Given their unfamiliarity and limited contacts in Singapore as well as the urgency to comply with the Resident Director Requirement, Wong Kim Fatt and Loo Sok Ching resorted to Siow Chin How to act as the Resident Director of WEPL on an interim basis pending identification and finalisation of a suitable permanent candidate. Siow Chin How fulfils the Resident Director criteria based on his Singapore permanent resident status.

On 28 April 2022, Siow Chin How's resignation as a director from WEPL was effected following the appointment of a replacement Resident Director on the same day.

In accordance with Guidance Note 9 of the Listing Requirements, a director who is appointed to act as an "independent director" of an applicant or a listed corporation must satisfy the definition of "independent director" as set out in Rule 1.01 of the Listing Requirements. The said definition requires an independent director to be one who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or listed corporation. Without limiting the generality of the foregoing, an independent director is one who (among other conditions) is not, and has not been within the last 3 years, an officer of the applicant, listed corporation or any related corporation of such applicant or listed corporation (each corporation is referred to as "said Corporation"). For this purpose, "officer" has the meaning given in Section 2 of the Act but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than 12 years. In this context, the Act defines officer to include amongst others, any director, secretary or employee of the corporation.

In this regard, notwithstanding his previous directorship in WEPL, Siow Chin How is not considered to have been an officer of WEPL within the last 3 years given the "independent director" nature of his role taking into consideration his written confirmation as follows:

- (a) He was a director of WEPL from 22 April 2022 to 28 April 2022 only on an interim basis and solely to render a one-off assistance to WEPL to fulfil the Resident Director Requirement until a replacement is found;
- (b) He was not involved in the day-to-day operations nor any decision making of WEPL during the period which he was a director;
- (c) He is not related to the directors and major shareholders of WEPL as well as persons connected with them;
- (d) He did not receive any payments or compensation nor was he promised any payments or compensation in the future for having acted as an interim Resident Director of WEPL;
- (e) He has no, and has never had, interests, direct or indirect, in WEPL; and



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

- (f) He is not accustomed nor under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the directors and major shareholders of WEPL as well as persons connected with them.

Premised on the above, our Nomination Committee (excluding Siow Chin How) has determined that Siow Chin How's previous directorship in WEPL was independent in nature. As such, he is deemed to be in fulfilment of the aforementioned condition, and his previous directorship in WEPL does not affect his suitability in being appointed as our Independent Non-Executive Director.

- (2) As at the LPD, Maya Asia Resources Sdn Bhd holds shares in the following companies:

- (i) Maya Asia Holdings Sdn Bhd, Maya Packaging Industries Sdn Bhd, Maya Plastic Sendirian Berhad, Majujaya Holdings Sdn Bhd and Bebe Malaysia Sdn Bhd, principal activities of whom are set out in the table above;
- (ii) Maya Asia Resources Pte Ltd, which is incorporated in Singapore and involved in providing management services and trading of general merchandise;
- (iii) Maya Plastic China Co Ltd, which is incorporated in the People's Republic of China and engaged in manufacturing and trading of plastic products and providing moulding services on plastic products; and
- (iv) Hangzhou Msf Plastic Co Ltd, which is incorporated in the People's Republic of China and engaged in manufacturing and trading of plastic products.

The involvement of our Directors as disclosed above excludes shares in public listed companies held by them as minority shareholders (less than 5.00% of the total number of issued shares of a public listed company). They do not hold any directorship in these public listed companies and the shares held are only for trading and personal investment purposes.

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

**5.2.5 Involvement of our Directors in other businesses / corporations**

Save as disclosed in Section 5.2.4 of this Prospectus, our Non-Independent Executive Director is not involved in other businesses or corporations. The involvement of Wong Chun Wei, our Non-Independent Executive Director, in other corporations is not expected to affect the operations of our Group due to the following:

- (i) he is solely a shareholder of Grandhill Property Sdn Bhd and WHSB, and is not involved in the management and operation of these companies;
- (ii) Flexiwin Capital Sdn Bhd is principally involved in operating café and restaurant but has ceased its business operation since April 2018, hence is with minimal day-to-day activities; and
- (iii) he is not involved in the day-to-day operations of Golden Oriental Realty Sdn Bhd and Flexiwin Properties Sdn Bhd, both of which are involved in property development. The day-to-day operations of Golden Oriental Realty Sdn Bhd and Flexiwin Properties Sdn Bhd are handled by other director(s).

The involvement of our Independent Non-Executive Directors in other businesses or corporations will not affect their commitment and responsibilities to our Group as they are not involved in our Group's day-to-day operations.

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

**5.2.6 Directors' remuneration and material benefits in-kind**

The remuneration of our Directors including their fees, salaries, bonuses, commissions, other allowances and benefits-in-kind must be reviewed and recommended by our Remuneration Committee and subsequently be approved by our Board. The Directors' fees and any benefits payable to Directors shall also be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting of our Company in accordance with our Constitution. Please refer to Section 15 of this Prospectus for further details.

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

**(i) FYE 2022**

Name	Director's fees	Basic salary	Bonuses	Benefits-in-kind and allowances	Statutory Contributions (EPF, SOCSO and EIS)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Non-Independent Executive Director</b> Wong Chun Wei	-	72	95	-	21	188
<b>Non-Executive Directors</b> Ban Kim Wah	-	180	98	-	21	299
Soo Wee Loon	-	-	-	-	-	-
Siow Chin How	-	-	-	-	-	-
Wang Sze Min	-	-	-	-	-	-

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

(ii) Proposed for FYE 2023

Name	Director's fees		Basic salary		Bonuses		Benefits-in-kind and allowances		Statutory Contributions (EPF, SOCSO and EIS)		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Non-Independent Executive Director</u></b> Wong Chun Wei	-	-	239	91	-	-	-	-	30	-	-	360
<b><u>Non-Executive Directors</u></b> Ban Kim Wah Soo Wee Loon Siow Chin How Wang Sze Min	- (2)- (2)- (2)-	- - - -	39 - - -	- - - -	- - - -	- (2)- (2)- (2)-	- - - -	- (2)- (2)- (2)-	2 - - -	- - - -	- - - -	(1)41 (2)- (2)- (2)-

**Notes:**

- (1) Being remuneration paid to him as a director of WESB up to February 2023. The Director's fees and meeting allowances to him as our Non-Independent Non-Executive Chairman will only be payable upon Listing.
- (2) Our Independent Non-Executive Directors were appointed to our Board on 1 June 2023. The Director's fees and meeting allowances to our Independent Non-Executive Directors will only be payable upon Listing.

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

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**5.3 BOARD PRACTICES**

Our Board has the following key responsibilities:

- (a) Overseeing and evaluating the conduct and sustainability of the businesses of the Group.
- (b) Reviewing and adopting the overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments.
- (c) Establishing key performance indicators and succession plans.
- (d) Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties.
- (e) Identifying and understanding the principal risks of the Company's business and ensuring the implementation of appropriate internal control systems and mitigation measures to manage these risks.
- (f) Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.
- (g) Overseeing the development and implementation of the shareholder communications policy for the Company.
- (h) Ensuring the Group's core values, vision and mission and shareholders' interests are met.
- (i) Ensuring all significant systems and procedures are in place for the Group to run effectively, efficiently, and meet all legal and contractual requirements.
- (j) Ensuring that the Group has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility.
- (k) Supervise and assess the performance of the senior management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which the senior management's performance can be assessed.
- (l) Monitor compliance with established policies and procedures.
- (m) Comply with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.
- (n) Ensure the senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of Board and senior management.

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

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3.1 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 for which our Directors have served in that office are as follows:

Name	Designation	Date of appointment	Date of expiration of the current term of office	No. of year(s) in office
Ban Kim Wah	Non-Independent Non-Executive Chairman	1 March 2023	Subject to retirement at the first AGM to be held in year 2024	Less than 1 year
Wong Chun Wei	Non-Independent Executive Director	1 March 2023	Subject to retirement at the first AGM to be held in year 2024	Less than 1 year
Soo Wee Loon	Independent Non-Executive Director	1 June 2023	Subject to retirement at the first AGM to be held in year 2024	Less than 1 year
Wang Sze Min	Independent Non-Executive Director	1 June 2023	Subject to retirement at the first AGM to be held in year 2024	Less than 1 year
Siow Chin How	Independent Non-Executive Director	1 June 2023	Subject to retirement at the first AGM to be held in year 2024	Less than 1 year

In accordance with our Constitution, at the first AGM of our Company, all our Directors shall retire from office. At the subsequent AGM, one-third (1/3), or the number nearest to one-third (1/3), of our Directors shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. An election of directors shall take place each year.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 22 June 2023 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Siow Chin How	Chairman	Independent Non-Executive Director
Soo Wee Loon	Member	Independent Non-Executive Director
Wang Sze Min	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial matters. The Audit and Risk Management Committee's responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) to consider any matters concerning the nomination, appointment and re-appointment, the audit fee and any questions of resignation or dismissal of external auditors, and further ensure the suitability, objectivity and independence of external auditors;
- (b) to review with the external auditors:
  - (i) their audit plan, scope and nature of the audit of the Group;
  - (ii) their evaluation and findings of the system of risk management and internal controls;
  - (iii) their audit reports on financial statements;
  - (iv) the management letter and management's response with regard to problems and reservations arising from their audits;
  - (v) the coordination of audits where more than one audit firm is involved; and
  - (vi) any other matters that the external auditors may wish to discuss (in the absence of management where necessary).
- (c) to ensure coordination between the external auditors and the internal auditors;
- (d) to review and assess the adequacy of the scope, functions, competency, experience and resources of the internal audit functions of which the internal auditors should report directly to the Audit and Risk Management Committee and to ensure the internal auditors are independent and objective, and have the relevant qualifications and be responsible for assuring the Audit and Risk Management Committee that the internal controls are operating effectively;
- (e) to review the internal audit plan, processes, the results of internal audit assessments, investigations undertaken and, whether or not appropriate action is taken before recommendations are made;
- (f) to review the adequacy and effectiveness of the Group's internal control systems, risk management framework, anti-corruption and whistle-blowing as evaluated, identified and reported by the Management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely;
- (g) to review the quarterly results and year-end financial statements of the Group before submission to the Board;

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

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- (h) to prepare the Audit and Risk Management Committee report at the end of each financial year for inclusion in the annual report of the Company;
- (i) to assess and review any related party transactions and conflicts of interest situations that may arise within the Company or Group including any transactions, procedures or course of conduct that raises questions of the management integrity;
- (j) to assist the Board to effectively discharging its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group;
- (k) to review the Group's risk managing policy and implementation of the risk management framework;
- (l) to report promptly to Bursa Securities on any matter which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
- (m) to verify the allocation of options under a share issuance scheme or the allocation of shares according to any incentive plan for employees of the Group, if any;
- (n) to review and conduct an annual performance evaluation of the internal and external auditors in respect of each financial year under review; and
- (o) to carry out such other functions or assignments as may be delegated by the Board from time to time.

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

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3.3 Remuneration Committee

Our Remuneration Committee was established on 22 June 2023 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Wang Sze Min	Chairman	Independent Non-Executive Director
Soo Wee Loon	Member	Independent Non-Executive Director
Siow Chin How	Member	Independent Non-Executive Director

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

- (a) to review and recommend to the Board the appropriate remuneration packages for all Directors of the Company, with or without professional advice;
- (b) to review and recommend fees and benefits payable to the Directors of the Company;
- (c) to assist the Board in formulating policies and guidelines for the composition of various components of remuneration such as basic salary, bonus, and other benefits for Directors and senior management of the Company;
- (d) to ensure that remuneration packages and benefits for Directors and senior management of the Company align with the Company's business strategies, long-term objectives, and remuneration policy, as well as comply with all laws, rules, regulations, and guidelines set by relevant authorities and the Board;
- (e) to develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and senior management of the Company, which considers the demands, complexities, and performance of the Company, as well as the skills and experience required;
- (f) to implement the Board's remuneration policy and procedures in a transparent process, including reviewing and recommending matters related to the remuneration of the Board and senior management;
- (g) to ensure that the level of remuneration packages is fair and appropriate according to the industry, general market sentiments, or conditions, and the Company's operating results, as well as the Director or senior management's merit, qualification, competence, and individual performance;
- (h) to ensure that appropriate rewards, benefits, compensation, and remuneration are offered to retain Directors, and structuring remuneration packages to link rewards to individual performance; and
- (i) to carry out any other functions delegated by the Board that would benefit the Company and ensure the effective discharge of the Remuneration Committee's duties and responsibilities.

The Director(s) concerned shall abstain from deliberation and voting on his/her own respective remuneration.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3.4 Nomination Committee

Our Nomination Committee was established on 22 June 2023 and its members are appointed by our Board. Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Soo Wee Loon	Chairman	Independent Non-Executive Director
Wang Sze Min	Member	Independent Non-Executive Director
Siow Chin How	Member	Independent Non-Executive Director

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

- (a) to review, assess, and recommend suitable candidates for appointment as Directors of the Company, as well as retiring Directors seeking re-election at the annual general meeting. When making recommendations to the Board regarding directorship or re-appointment, Nomination Committee must consider the "Fit and Proper Criteria" outlined in the Company's Directors' Fit and Proper Policy. These criteria include, but are not limited to:
  - (i) diversity in skills, knowledge, expertise, experience, age, cultural background and gender;
  - (ii) competence and professionalism;
  - (iii) character and integrity;
  - (iv) time and commitment;
  - (v) any business interest or relationship that may result in a conflict of interest that could affect the execution of the role; and
  - (vi) in the case of candidates for the position of Independent Director, the committee shall also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Director.
- (b) to ensure there is a gender-diverse Board and may seek out independent sources to identify qualified candidates for the Board;
- (c) to evaluate the necessary mix of skills, experience, core competencies, and diversity (including age, cultural background, and gender) of the Board and its Committees. Nomination Committee will assess the contribution and performance of each Director to ensure the Board and its Committees operate effectively and efficiently;
- (d) to review the size, structure, balance, and composition of the Board and the Board Committees to ensure optimal performance;
- (e) to identify and review the core competence, skills and other qualities including but not limited to the skills, knowledge, experience and diversity required by each of the Non-Executive Directors, that are essential to contribute towards the effectiveness and balance of the Board;
- (f) to review and evaluate the contributions made by each member of the Board, including the Independent Non-Executive Directors and the Chairman of the Board, as well as the Executive Director;
- (g) to assess each Director's ability to contribute to the Board's decision-making process and ensure that the Board operates actively, efficiently, and effectively in all its decision-making;

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

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- (h) to conduct an annual review of the term of office and performance of the Audit and Risk Management Committee and each of its members. The review will assess whether the Committee and its members have fulfilled their duties in accordance with their terms of reference;
- (i) to evaluate annually the effectiveness of the Board and the Board Committees as a whole for assessing the contribution to the effectiveness of the decision-making process of the Board;
- (j) to review and assess annually the independence of the Independent Non-Executive Directors of the Company;
- (k) to review, consider and make recommendations regarding the continuation in office of Independent Non-Executive Directors who have served for more than 9 years.
- (l) to oversee the development of succession planning of the Board and senior management of the Company;
- (m) to assess and recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution;
- (n) to remain up-to-date and fully informed about strategic issues and commercial changes that impact the Company and the market in which it operates; and
- (o) to carry out such other functions or assignments as may be delegated by the Board from time to time.

The Director concerned shall abstain from deliberation and voting on his/her own respective re-election.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4 KEY SENIOR MANAGEMENT

5.4.1 Our key senior management as at the LPD comprises the following:

Name	Age	Gender	Designation
Chuah Chong Syn	44	Male	Group Chief Executive Officer
Wong Chun Wei	37	Male	Non-Independent Executive Director
Tai Yuan Heng	54	Male	General Manager
Yap Yew Wei	31	Male	Group Financial Controller
Lew Sia Ching	42	Female	Head of Supply Chain

All of our key senior management are Malaysian.

#### 5.4.2 Profiles of key senior management

The profiles of our Non-Independent Executive Director, namely Wong Chun Wei, who is also our Promoter, as well as our General Manager, namely Tai Yuan Heng, who is also our substantial shareholder, are disclosed in Section 5.1.3 of this Prospectus.

The profiles of our other key senior management are as follows:

(i) **Chuah Chong Syn**  
*Group Chief Executive Officer*

Chuah Chong Syn, a Malaysian male aged 44, is our Group Chief Executive Officer. He is mainly responsible for our Group's overall business operations. He also manages our Group's operations functions and supply chain functions jointly to ensure an effective and efficient production operation through prudent procurement and production planning to meet customers' requirements.

He obtained a Bachelor of Engineering (Mechanical) from Universiti Teknologi Malaysia in 2002.

He began his career in 2002 when he joined WESB as an Engineer where he was mainly responsible for providing engineering support to our company's manufacturing operations. He was subsequently promoted to Senior Engineer in 2004 with his job functions remained.

In 2005, he was promoted to Assistant Operation Manager where he was mainly responsible for the smooth running of the Operation Department. His responsibilities also included liaising with customers on technical aspects of the products to be manufactured.

In 2008, he was promoted to Operation Manager where his responsibilities were extended to include, among others, overseeing the company's quality assurance and production functions. He was also responsible for departmental overall manpower, capacity and operation planning, departmental budget control, project co-ordination and implementation, and machinery planning and support.

Having been with our Group for approximately 21 years with exposures to various aspects of our business operations, he assumed the role of Group Chief Executive Officer in March 2023.

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

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**(ii) Yap Yew Wei**  
*Group Financial Controller*

Yap Yew Wei, a Malaysian male aged 31, is our Group Financial Controller. He is mainly responsible for our Group's overall accounting and finance matters including internal controls, as well as administrative matters.

He graduated with a Bachelor of Science (Hons) in Accounting and Finance from University of London, United Kingdom in 2015. He holds a professional qualification from the Association of Chartered Certified Accountants (ACCA) since 2020. Since 2021, he is also a Chartered Accountant of MIA and became a Chartered Member of The Institute of Internal Auditors Malaysia in 2022.

He began his career in 2016 when he joined Maya Asia Resources Sdn Bhd as an Internal Auditor where he was mainly involved in evaluating the adequacy of and recommending improvements in internal controls of the company. In 2020, he was promoted to Finance Manager where he was mainly responsible for supervising corporate affairs, internal audit as well as accounting and finance functions of the company. He left the company in 2021 and has been our Group Financial Controller since then.

**(iii) Lew Sia Ching**  
*Head of Supply Chain*

Lew Sia Ching, a Malaysian female aged 42, is our Head of Supply Chain. She is mainly responsible for our Group's procurement, inventory management and logistics functions.

She graduated with a Bachelor of Tourism Management (Hons) from Universiti Utara Malaysia in 2005.

She began her career in 2005 when she joined Goodhope Hotel in Johor as a Management Trainee where she was mainly responsible for the procurement functions of the hotel. She left this employment in 2006.

In 2006, she joined JVCKENWOOD Electronics Malaysia Sdn Bhd as a Purchasing Officer where she was mainly responsible for procurement and timely delivery of materials as part of the company's Electrical Purchasing Team. In 2010, she was promoted to Purchasing Senior Officer where her responsibilities were extended to project procurement monitoring to facilitate mass production for timely product launch. She was subsequently promoted to Purchasing Executive in 2012 and Purchasing Assistant Manager in 2013 where she continued her role in procurement functions.

In 2015, she was promoted to Purchasing Department Head where she was mainly responsible for supervising staff to ensure smooth operations of the department as well as managing overall inventory level. In 2017, she was promoted to Planning Department Head where she was mainly responsible for capacity planning, material supply and production planning.

In 2017, she joined WESB as Supply Chain Manager where she was mainly responsible for managing the company's procurement activities and supplier relationship management. In 2023, she was promoted to our Head of Supply Chain where she currently oversees our Group's procurement, inventory management and logistics functions.

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

**5.4.3 Key senior management's shareholdings**

The shareholdings of our key senior management in our Company before and after our IPO are as follows:

Key senior management	Before our IPO / As at the LPD			After our IPO		
	Direct	Indirect	(1)%	Direct	Indirect	(2)%
	No. of Shares	No. of Shares	(1)%	No. of Shares	No. of Shares	(2)%
Chuah Chong Syn	-	-	-	(3)3,800,000	-	0.33
Wong Chun Wei	-	-	-	-	-	-
Tai Yuan Heng	54,800,500	-	6.25	54,800,500	-	4.77
Yap Yew Wei	-	-	-	(3)1,900,000	-	0.17
Lew Sia Ching	-	-	-	(3)1,900,000	-	0.17

Notes:

- (1) Based on our issued share capital of 876,800,000 Shares after the Acquisitions but before our IPO / as at the LPD.
- (2) Based on our enlarged issued share capital of 1,150,000,000 Shares after our IPO.
- (3) Assuming that they fully subscribe for the Pink Form Shares allocated to them.

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

**5.4.4 Involvement of key senior management in other businesses or corporations**

Wong Chun Wei's involvement in business activities and directorship in other businesses or corporations outside our Group for the past 5 years preceding the LPD is disclosed in Section 5.2.4 of this Prospectus.

Save as disclosed below, none of our other key senior management has any involvement in business activities and directorship in any other businesses or corporations outside our Group for the past 5 years preceding the LPD:

**(i) Chuah Chong Syn**

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement:</b>						
Chuah Boon Teng Plantation Sdn Bhd	Director and shareholder	1 February 2023	-	25.00	-	Growing of oil palm (smallholdings)

**(ii) Tai Yuan Heng**

Company	Position held as at the LPD	Date appointed as director	Date resigned/ceased as director	Equity interest as at the LPD (%)		Principal activities
				Direct	Indirect	
<b>Present involvement:</b>						
Jym Realty Sdn Bhd	Director and Shareholder	8 June 2012	-	60.00	-	Oil palms plantation

The involvement of Chuah Chong Syn and Tai Yuan Heng in the above companies will not affect their commitment and responsibilities to our Group as they do not participate in the day-to-day operations of these companies.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.5 Key senior management's remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management (save for those for Wong Chun Wei, which are as disclosed in Section 5.2.6 of this Prospectus) for services rendered / to be rendered to our Group in all capacities for the FYE 2022 and FYE 2023 are as follows:

Name of key senior management	Remuneration band (in bands of RM50,000) <sup>(1)</sup>	
	Paid for FYE 2022 RM'000	Proposed for FYE 2023 RM'000
Chuah Chong Syn	351 - 400	401 - 450
Tai Yuan Heng	501 - 550	351 - 400
Yap Yew Wei	151 - 200	151 - 200
Lew Sia Ching	151 - 200	151 - 200

Note:

(1) The remuneration includes salaries, allowances and bonuses.

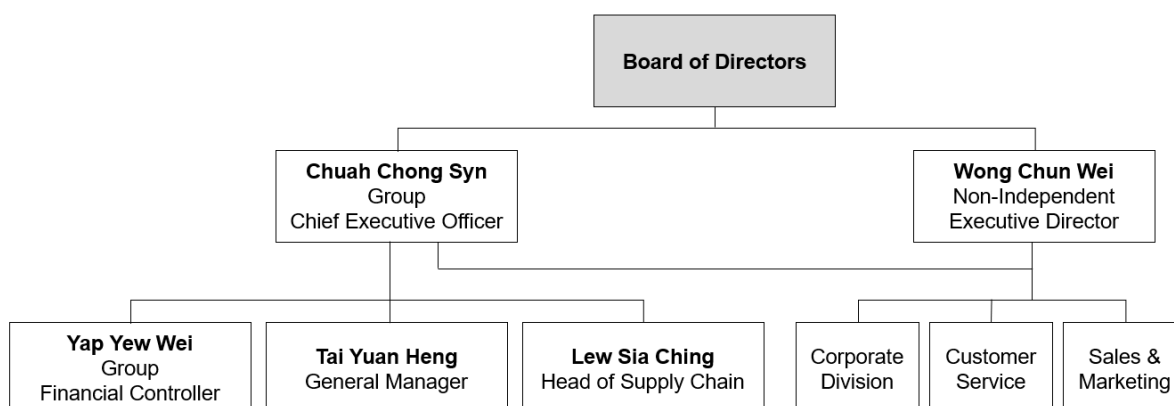
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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.6 Management Reporting Structure

The management reporting structure of our Group is as follows:



## 5.5 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and Key Senior Management is or has been involved in any of the following events, whether within or outside Malaysia as at the LPD:

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

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.6 FAMILY RELATIONSHIPS OR ASSOCIATIONS

As at the LPD, save as disclosed below, there is no family relationship and/or association between any of our Promoters, substantial shareholders, directors and Key Senior Management:

Name	Position in the Company	Relationship
Wong Kim Fatt	Promoter and substantial shareholder	<ul style="list-style-type: none"> <li>Spouse of Loo Sok Ching</li> <li>Father of Wong Chun Wei</li> <li>Brother of Ban Kim Wah</li> <li>Brother-in-law of Loo Juan Pang</li> </ul>
Loo Sok Ching	Promoter and substantial shareholder	<ul style="list-style-type: none"> <li>Spouse of Wong Kim Fatt</li> <li>Mother of Wong Chun Wei</li> <li>Sister-in-law of Ban Kim Wah</li> <li>Sister of Loo Juan Pang</li> </ul>
Ban Kim Wah	Non-Independent Non-Executive Chairman, Promoter and substantial shareholder	<ul style="list-style-type: none"> <li>Brother of Wong Kim Fatt</li> <li>Brother-in-law of Loo Sok Ching</li> <li>Uncle of Wong Chun Wei</li> </ul>
Wong Chun Wei	Promoter and Non-Independent Executive Director	<ul style="list-style-type: none"> <li>Son of Wong Kim Fatt and Loo Sok Ching</li> <li>Nephew of Ban Kim Wah</li> <li>Nephew of Loo Juan Pang</li> </ul>
Loo Juan Pang	Director of WEPL <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Brother of Loo Sok Ching</li> <li>Brother-in-law of Wong Kim Fatt</li> <li>Uncle of Wong Chun Wei</li> </ul>
Wencor <sup>(2)</sup>	Substantial shareholder	<ul style="list-style-type: none"> <li>A company owned by Wong Kim Fatt and Loo Sok Ching</li> </ul>

Notes:

- (1) As a company incorporated under the CA of Singapore, WEPL is required to have at least one Resident Director.

Loo Juan Pang is a Resident Director of WEPL and he is mainly responsible for management information system and administrative matters of the company. The other director of WEPL is Tai Yuan Heng, who is our Group's General Manager.

- (2) As at the LPD, the directors of Wencor are Wong Kim Fatt, Loo Sok Ching and Wong Ying Wei.

### 5.7 SERVICE CONTRACTS

As at the LPD, none of our Directors and/or Key Senior Management has any existing or proposed service contracts with our Group.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.8 EMPLOYEES

A breakdown of our Group's employees by department as at 31 December 2022 and the LPD is as follows:

Department	No. of employees	
	31 December 2022	LPD
Management	(1)8	(1)6
Accounts & Finance	3	3
Corporate Division	2	2
Human Resources & Administration	14	(1)12
Management Information Systems	3	2
Customer Service	4	4
Sales & Marketing	(1)9	(1)10
Purchasing / Procurement	6	5
Logistics	6	7
Planning	7	8
Engineering	19	21
Store	9	10
Production	(2)243	(2)245
Quality Assurance	37	35
Technology Development	1	-
Compliance	5	8
<b>Total</b>	<b>376</b>	<b>378</b>

Notes:

- (1) Inclusive of 1 employee employed by WEPL and based in Singapore.  
(2) Inclusive of 4 employees employed by WEPL and based in Singapore.

Further, a breakdown of our engineers by department as at 31 December 2022 and the LPD is set out as follows:

Department	Title of engineers	No. of employees	
		31 December 2022	LPD
Sales & Marketing	Costing Engineer	2	4
Engineering	New Product Introduction Engineer	10	7
Production	Production Engineer	2	3
	CAM Engineer	1	1
Quality Assurance	Quality Assurance Engineer	5	3
Compliance	Compliance Engineer	1	1
<b>Total</b>		<b>21</b>	<b>19</b>

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

We had an average of 185 contractual workers in the FYE 2022. A breakdown of these contractual workers by department is as follows:

Department	No. of contractual workers
Human Resources & Administration	4
Logistics	1
Planning	3
Engineering	3
Store	6
Production	159
Quality Assurance	9
<b>Total</b>	<b>185</b>

As at the LPD, save for 2 local workers and all of our 213 foreign workers who are contractual workers, all our other employees are permanent workers. A breakdown of these contractual workers by department is as follows:

Department	No. of contractual workers
Human Resources & Administration	6
Logistics	1
Planning	2
Engineering	2
Store	10
Production	182
Quality Assurance	12
<b>Total</b>	<b>215</b>

As at the LPD, all of our foreign workers hold the relevant visa and valid working permits.

None of our employees, whether permanent or contractual, belong to any trade unions or have any labour relationship with any union, and there have been no industrial disputes since we commenced operations.

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**6. INFORMATION ON OUR GROUP****6.1 INFORMATION ON OUR GROUP****6.1.1 Our Company**

Our Company was incorporated in Malaysia on 1 March 2023 under the Act as a private limited company under the name of Wentel Engineering Holdings Sdn Bhd. On 12 June 2023, our Company was converted into a public limited company and assumed its present name of Wentel Engineering Holdings Berhad. Our Company is an investment holding company and was incorporated to facilitate our Listing.

Through our subsidiaries, our Group's principal business activities include fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products.

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

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

**6.1.2 Pre-listing internal restructuring exercise**

In conjunction with and as an integral part of our Listing, we carried out the Acquisitions which involved the following:

**(i) Acquisition of WESB**

On 30 May 2023, Wentel Engineering entered into a share sale agreement to acquire the entire issued share capital of WESB of RM1,000,000 comprising 1,000,000 ordinary shares for a purchase consideration of RM84,627,900. The purchase consideration was fully satisfied by the issuance of 846,279,000 new Shares at an issue price of RM0.10 per Share. Details of the vendors of WESB and the number of Shares issued to them under the Acquisition of WESB are as follows:

<b>Vendors of WESB</b>	<b>No. of shares acquired</b>	<b>% of share capital</b>	<b>Purchase consideration (RM)</b>	<b>No. of Wentel Engineering Shares issued</b>
Wong Kim Fatt	525,000	52.50	44,429,700	444,297,000
Wencor	225,000	22.50	19,041,300	190,413,000
Ban Kim Wah	187,500	18.75	15,867,600	158,676,000
Tai Yuan Heng	62,500	6.25	5,289,300	52,893,000
<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>	<b>84,627,900</b>	<b>846,279,000</b>

The Acquisition of WESB was subsequently completed on 15 September 2023. Thereafter, WESB became our wholly-owned subsidiary. The total purchase consideration of RM84,627,900 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of WESB as at 31 December 2022 of RM84,629,328.

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

**6. INFORMATION ON OUR GROUP (CONT'D)****(ii) Acquisition of WEPL**

On 30 May 2023, Wentel Engineering entered into a share swap agreement to acquire the entire issued share capital of WEPL of SGD100,000 comprising 100,000 ordinary shares for a purchase consideration of RM3,052,000. The purchase consideration was fully satisfied by the issuance of 30,520,000 new Shares at an issue price of RM0.10 per Share. Details of the vendors of WEPL and the number of Shares issued to them under the Acquisition of WEPL are as follows:

Vendors of WEPL	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Wentel Engineering Shares issued
Wong Kim Fatt	52,500	52.50	1,602,300	16,023,000
Loo Sok Ching	22,500	22.50	686,700	6,867,000
Ban Kim Wah	18,750	18.75	572,250	5,722,500
Tai Yuan Heng	6,250	6.25	190,750	1,907,500
<b>Total</b>	<b>100,000</b>	<b>100.00</b>	<b>3,052,000</b>	<b>30,520,000</b>

The Acquisition of WEPL was subsequently completed on 15 September 2023. Thereafter, WEPL became our wholly-owned subsidiary. The total purchase consideration of RM3,052,000 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of WEPL as at 31 December 2022 of RM3,053,528 (converted based on SGD932,658 at the exchange rate of SGD1: RM3.2740 as at 31 December 2022).

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

**6.1.3 Share capital and changes in share capital**

As at the LPD, our issued share capital is RM87,680,000 comprising 876,800,000 Shares.

Details of the changes in our issued share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration	Cumulative issued share capital
1 March 2023	1,000	Subscribers' shares	RM100	RM100
15 September 2023	876,799,000	Otherwise than cash for the Acquisitions	RM87,679,900	RM87,680,000

There were no discounts, special terms or installment 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.

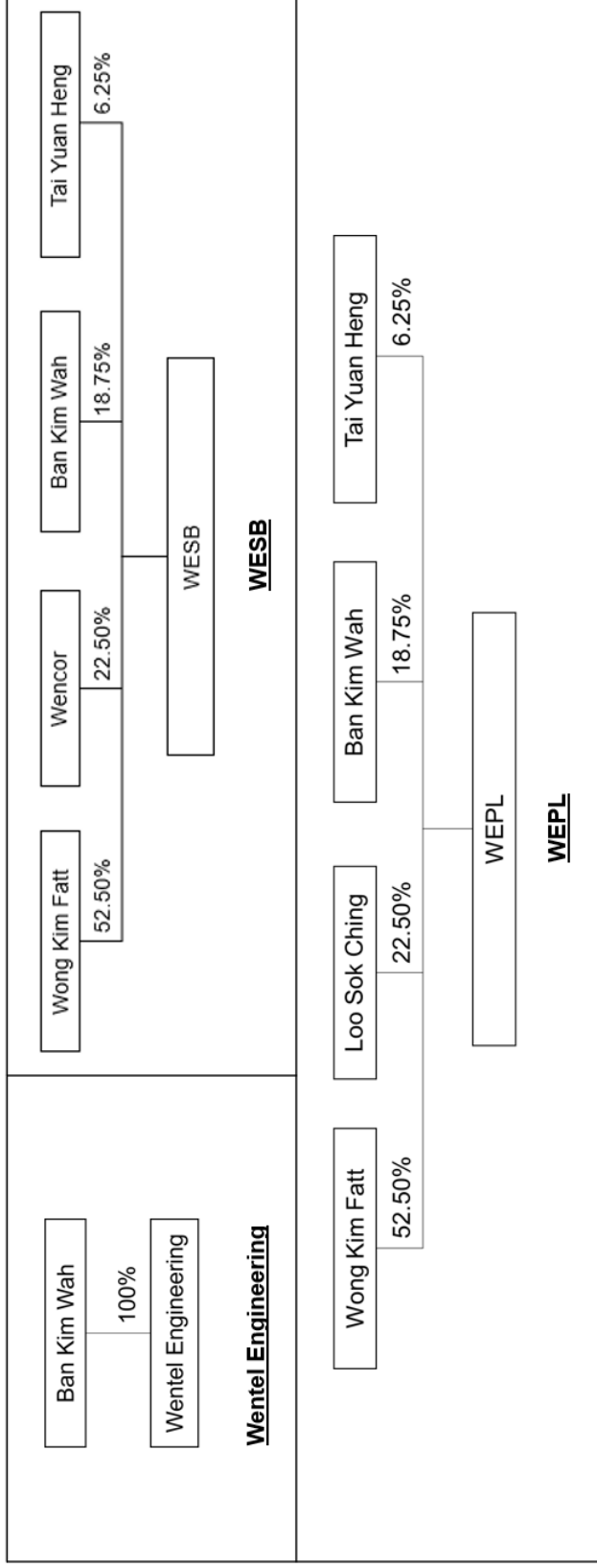
Upon completion of our Listing, our issued share capital will increase to RM158,712,000 comprising 1,150,000,000 Shares.

**6. INFORMATION ON OUR GROUP (CONT'D)**

**6.1.4 Our Group structure**

(i) Our Group structure before the Acquisitions and after our IPO is illustrated below:

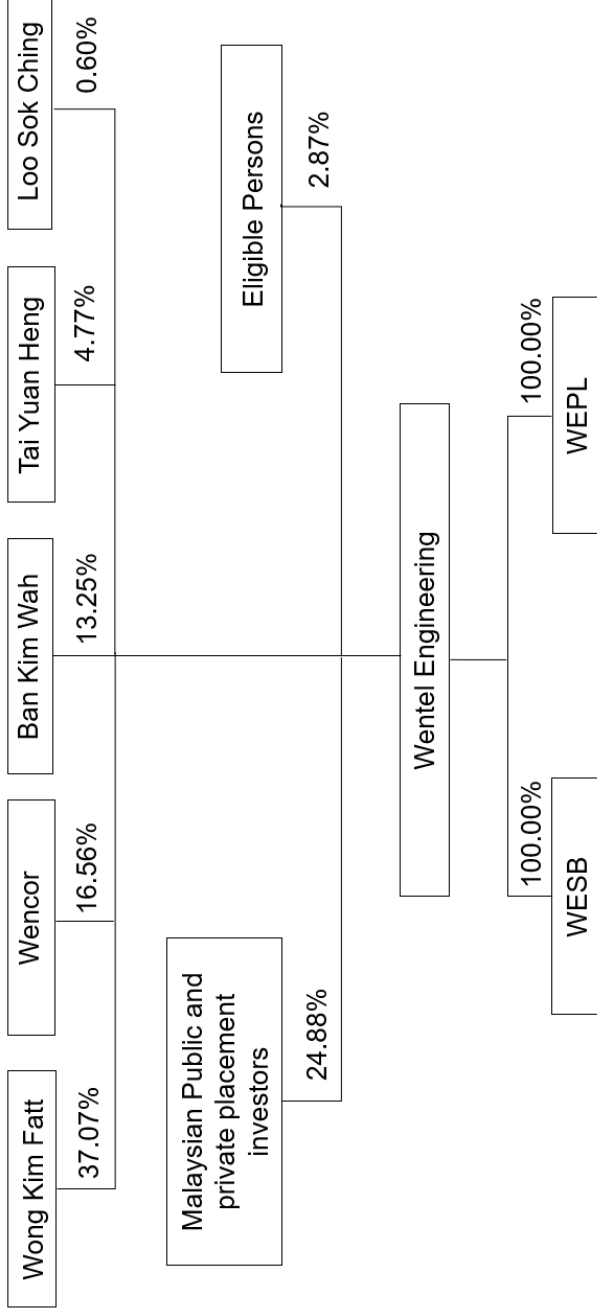
**Before the Acquisitions**



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**6. INFORMATION ON OUR GROUP (CONT'D)**

**After our IPO**



(ii) Details of the companies within our Group are set out below:

Companies within our Group	Date and place of incorporation	Principal place of business	Issued share capital	Effective equity interest held by us (%)	Principal activities
WESB	20 November 2000 Malaysia	Malaysia	RM1,000,000	100.00	Fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products
WEPL	6 May 2008 Singapore	Singapore	SGD100,000	100.00	Sales, marketing and after sales support

Further details on our Subsidiaries are set out in Section 6.2 of this Prospectus. As at the LPD, we do not have any associate companies.



**6. INFORMATION ON OUR GROUP (CONT'D)****6.2 INFORMATION ON OUR SUBSIDIARIES****6.2.1 WESB****(i) Background and history**

WESB was incorporated in Malaysia on 20 November 2000 under the Companies Act 1965 as a private limited company under the name of Twin Shell Engineering Sdn Bhd and is deemed registered under the Act. It assumed its present name on 30 October 2019.

**(ii) Share capital**

As at the LPD, the issued share capital of WESB is RM1,000,000 comprising 1,000,000 shares.

Details of the changes in the issued share capital of WESB since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Nature of transaction</b>	<b>Consideration (RM)</b>	<b>Cumulative issued share capital (RM)</b>
20 November 2000	2	Subscribers' shares	2	2
19 December 2000	889,998	Issue for cash	889,998	890,000
28 October 2002	106,500	Otherwise than for cash <sup>(1)</sup>	106,500	996,500
28 October 2002	3,500	Issue for cash	3,500	1,000,000

**Note:**

(1) The shares were allotted by way of capitalising against the amount owing to directors at that point in time (i.e. Wong Kim Fatt and Tai Yuan Heng).

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

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

**(iii) Substantial shareholder and directors**

As at the LPD, WESB is our wholly-owned subsidiary. The directors of WESB are Wong Chun Wei and Tai Yuan Heng.

**(iv) Subsidiary and associate**

As at the LPD, WESB does not have any subsidiary or associate company.

**6.2.2 WEPL****(i) Background and history**

WEPL was incorporated in Singapore on 6 May 2008 under the CA of Singapore as a private limited company under the name of Wentel Corporation Pte Ltd. It assumed its present name on 4 April 2023.

**6. INFORMATION ON OUR GROUP (CONT'D)****(ii) Share capital**

As at the LPD, the issued share capital of WEPL is SGD100,000 comprising 100,000 shares.

Details of the changes in the issued share capital of WEPL since incorporation are as follows:

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Nature of transaction</b>	<b>Consideration (SGD)</b>	<b>Cumulative issued share capital (SGD)</b>
6 May 2008	5,000	Subscribers' shares	5,000	5,000
12 January 2011	95,000	Issue for cash	95,000	100,000

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

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

**(ii) Substantial shareholder and directors**

As at the LPD, WEPL is our wholly-owned subsidiary. The directors of WEPL are Tai Yuan Heng and Loo Juan Pang.

**(iii) Subsidiary and associate**

As at the LPD, WEPL does not have any subsidiary or associate company.

**6.3 PUBLIC TAKE-OVERS**

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

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## 7. BUSINESS OVERVIEW

### 7.1 OUR HISTORY AND BACKGROUND

#### 7.1.1 Incorporation and history

Wentel Engineering was incorporated in Malaysia under the Act on 1 March 2023 as a private limited company and subsequently converted to a public limited company on 12 June 2023. Wentel Engineering is an investment holding company. Following the completion of the Acquisitions, WESB and WEPL became wholly-owned subsidiaries of Wentel Engineering.

Our Group was established in 2000 with the incorporation of Twin Shell Engineering Sdn Bhd, which subsequently changed its name to WESB in 2019. Our Promoters, Ban Kim Wah and Wong Kim Fatt, and our General Manager, Tai Yuan Heng were 3 of the founding shareholders who then held 16.85%, 16.85% and 4.49%, respectively of direct equity interests in WESB. The remaining 61.81% of the equity interest in WESB was then held by other parties unrelated to the Promoters comprising Tan Brothers Trading Sdn Bhd (22.48%), Chong Ah Lai (16.85%), Cheng Chean Chiang (11.24%) and Cheng Chee Tong (11.24%). The changes in the shareholdings of WESB since then up to 2006 are as follows:

Name	As at 31 December 2000		As at 31 December 2002		As at 31 December 2004		As at 31 December 2006	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Ban Kim Wah	150,000	16.85	150,000	15.00	<sup>(4)</sup> 187,500	18.75	187,500	18.75
Wong Kim Fatt	150,000	16.85	<sup>(1)</sup> 287,500	28.75	<sup>(5)</sup> 359,375	35.94	<sup>(11)</sup> 625,000	62.50
Tai Yuan Heng	40,000	4.49	<sup>(2)</sup> 50,000	5.00	<sup>(6)</sup> 62,500	6.25	62,500	6.25
Tan Brothers Trading Sdn Bhd	200,000	22.48	200,000	20.00	<sup>(7)</sup> -	-	-	-
Chong Ah Lai	150,000	16.85	<sup>(3)</sup> 112,500	11.25	<sup>(8)</sup> 140,625	14.06	<sup>(12)</sup> -	-
Cheng Chean Chiang	100,000	11.24	100,000	10.00	<sup>(9)</sup> 125,000	12.50	<sup>(13)</sup> -	-
Cheng Chee Tong	100,000	11.24	100,000	10.00	<sup>(10)</sup> 125,000	12.50	<sup>(14)</sup> -	-
Loo Sok Ching	-	-	-	-	-	-	<sup>(15)</sup> 125,000	12.50
<b>Total</b>	<b>890,000</b>	<b>100.00</b>	<b>1,000,000</b>	<b>100.00</b>	<b>1,000,000</b>	<b>100.00</b>	<b>1,000,000</b>	<b>100.00</b>

Notes:

- (1) Following the subscription of 100,000 shares and acquisition of 37,500 shares from Chong Ah Lai in 2002.
- (2) Following the subscription of 10,000 shares in 2002.
- (3) Following the disposal of 37,500 shares to Wong Kim Fatt in 2002.
- (4) Following the acquisition of 37,500 shares from Cheng Chean Chiang in 2004.
- (5) Following the acquisition of 71,875 shares from Cheng Chean Chiang in 2004.
- (6) Following the acquisition of 12,500 shares from Cheng Chean Chiang in 2004.
- (7) Following the disposal of 200,000 shares to Cheng Chean Chiang in 2004.
- (8) Following the acquisition of 28,125 shares from Cheng Chean Chiang in 2004.
- (9) Following the acquisition of 200,000 shares from Tan Brothers Trading Sdn Bhd and disposal of a total of 175,000 shares to Ban Kim Wah, Wong Kim Fatt, Tai Yuan Heng, Chong Ah Lai and Cheng Chee Tong in 2004.
- (10) Following the acquisition of 25,000 shares from Cheng Chean Chiang in 2004.
- (11) Following the acquisitions of 125,000 shares from Cheng Chean Chiang and 140,625 shares from Chong Ah Lai in 2006.
- (12) Following the disposal of 140,625 shares to Wong Kim Fatt in 2006.
- (13) Following the disposal of 125,000 shares to Wong Kim Fatt in 2006.
- (14) Following the disposal of 125,000 shares to Loo Sok Ching in 2006.
- (15) Following the acquisition of 125,000 shares from Cheng Chee Tong in 2006.

Subsequently, in 2008, Wencor acquired a 22.50% direct equity interest in WESB from Wong Kim Fatt and Loo Sok Ching and became its corporate shareholder. Prior to the completion of the Acquisition of WESB, the shareholders of WESB were Wong Kim Fatt (52.50%), Wencor (22.50%), Ban Kim Wah (18.75%) and Tai Yuan Heng (6.25%).

## 7. BUSINESS OVERVIEW (CONT'D)

In 2008, WEPL was incorporated in Singapore by our Promoters, Wong Kim Fatt and Loo Sok Ching, who then held equal direct equity interests of 50.00% each in WEPL. Subsequently in 2011, WEPL increased its issued share capital via issuance of new ordinary shares to its existing shareholders, Wong Kim Fatt and Loo Sok Ching, as well as the new shareholders, Ban Kim Wah and Tai Yuan Heng. Prior to the completion of the Acquisition of WEPL, the shareholders of WEPL were Wong Kim Fatt (52.50%), Loo Sok Ching (22.50%), Ban Kim Wah (18.75%) and Tai Yuan Heng (6.25%).

For the Period Under Review, our principal activities are in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products. We commenced our business in February 2001, initially in the fabrication of metal parts. We expanded our products and services to include the fabrication of semifinished metal products within the same year and the assembly of finished products in 2005. We also expanded to Singapore in 2008 with the incorporation of WEPL, which focuses on sales, marketing and after-sales support for our products. For the Period Under Review, our main markets and operations are in Malaysia and Singapore which collectively contributed 99.61%, 98.70%, 98.29% and 99.50% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

### 7.1.2 Key events and milestones

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

Year	Key Events and Milestones
2000	<ul style="list-style-type: none"> <li>Incorporation of Twin Shell Engineering Sdn Bhd, which changed to its present name of WESB in 2019.</li> </ul>
2001	<ul style="list-style-type: none"> <li>WESB commenced business operations initially in the fabrication of metal parts and within the same year, we expanded our portfolio of products to include the fabrication of semifinished metal products. WESB initially operated from a rented factory unit at Kawasan Perindustrian Pasir Gudang in Johor, namely the Lot 83.</li> </ul>
2005	<ul style="list-style-type: none"> <li>We expanded our services to include assembly of finished products namely walk-through metal detectors.</li> <li>WESB acquired a piece of land of approximately 43,560 sq. ft. at Kawasan Perindustrian Pasir Gudang in Johor. To expand our business, we subsequently constructed an office and factory on that land, namely the Lot 317, and commenced operations in the same year. We continued to operate at Lot 83 after Lot 317 became operational.</li> </ul>
2006	<ul style="list-style-type: none"> <li>WESB first received ISO 9001:2000 quality management system certification for the scope of fabrication and manufacturing of metal and wooden parts for machinery. Subsequently in 2015, the company's quality management system certification was updated to ISO 9001:2015, which is valid until 2024.</li> </ul>
2007	<ul style="list-style-type: none"> <li>In line with the expansion of our business operations, WESB relocated its business operations from Lot 317 and Lot 83 to Lot 11, our current head office and factory at Kawasan Perindustrian Larkin, Johor Bahru which is leased from Wencor.</li> </ul>
2008	<ul style="list-style-type: none"> <li>We established our presence in Singapore with the incorporation of WEPL, which commenced business operations in the same year carrying out sales, marketing and after sales support services for our products. WEPL initially did not have a physical presence in Singapore in 2008 and we served customers in Singapore by operating from our base in Malaysia until we established our office there in 2011.</li> <li>Wencor<sup>(1)</sup> acquired 22.50% direct equity interest in WESB and became our corporate shareholder.</li> </ul>

**7. BUSINESS OVERVIEW (CONT'D)**

<b>Year</b>	<b>Key Events and Milestones</b>
2010	<ul style="list-style-type: none"> <li>We completed the first export of our products, which was for the fabrication of metal parts for a CNC machine manufacturer in Singapore.</li> </ul>
2011	<ul style="list-style-type: none"> <li>WESB first obtained ISO 14001:2004 environmental management system certification for the scope of fabrication and manufacturing of metal and wooden parts for machinery. Subsequently, in 2017, the company's environmental management system certification was updated to ISO 14001:2015, which is valid until 19 April 2026.</li> <li>WEPL established its physical presence in Singapore in a rented office unit at Tradehub 21 on Boon Lay Way.</li> </ul>
2013	<ul style="list-style-type: none"> <li>WEPL relocated its operations to another rented office unit from a third party at Midview Building on Bukit Batok Street 23 in Singapore.</li> <li>As part of our business expansion, WESB leased an additional factory at Kawasan Perindustrian Larkin, Johor Bahru, namely Lot 58, from a third party. As at the LPD, we continue to carry out our fabrication of semifinished metal products and metal parts activities at Lot 58.</li> </ul>
2017	<ul style="list-style-type: none"> <li>We invested in 2 units of a double-column 5-face CNC milling machine, which is capable of milling complex large-format metal products to meet customers' requirements.</li> <li>We expanded our surface coating facilities when we established a zinc electroplating line at Lot 11. This was in addition to our existing powder coating and spray painting facilities.</li> </ul>
2018	<ul style="list-style-type: none"> <li>We secured our first order from a manufacturer of semiconductor manufacturing equipment for the fabrication of metal parts.</li> <li>WEPL relocated to its present rented office in Woodlands, Singapore.</li> <li>WESB acquired Lot 815, which measures approximately 426,074 sq. ft. and is located at Kawasan Perindustrian Selatan, Johor Bahru. As part of our business strategies moving forward, we intend to construct our New Manufacturing Plant on Lot 815 to expand our business operations.</li> </ul>
2019	<ul style="list-style-type: none"> <li>WESB completed the sale of Lot 317 to 5E Resources, a related party.</li> </ul>
2020	<ul style="list-style-type: none"> <li>We secured our first order from the medical equipment industry which was for the fabrication of metal parts for medical diagnostic equipment.</li> </ul>
2022	<ul style="list-style-type: none"> <li>WESB entered into a sale and purchase agreement to purchase Lot 879 &amp; 881, which measure approximately 405,368 sq. ft. and is located at Johor Bahru, opposite Lot 815. The transaction was subsequently completed in May 2023. Lot 879 and 881 are intended for the expansion of our fabrication, assembly and storage facilities as part of our business strategies in the longer term.</li> </ul>
2023	<ul style="list-style-type: none"> <li>Wentel Engineering was incorporated as an investment holding company.</li> <li>WEPL relocated to its present rented office in 1 Corporation Drive #07-09 Revv Singapore 619775.</li> </ul>

**Note:**

- (1) Wencor is a private limited company principally involved in the supply chain management of vacuum cleaner spare parts and manufacturing of plastic injection moulding. The shareholders of Wencor are our Promoters, namely Wong Kim Fatt and Loo Sok Ching, who respectively own 41.08% and 58.92% direct equity interests in Wencor. Please refer to Section 5.1.3 of this Prospectus for further details of Wencor, Wong Kim Fatt and Loo Sok Ching.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.3 Our achievements and recognitions

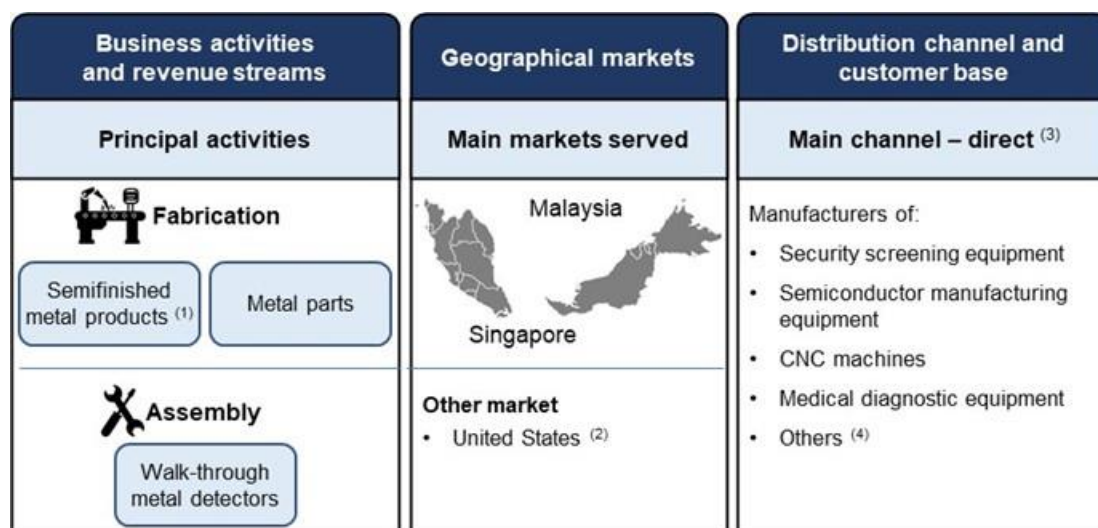
During the Period Under Review and up to the LPD, we received the following award:

Year	Our Subsidiary	Awarding Party	Award
2021	WEPL	Holding company of Customer B Group	2020 Outstanding Supplier Award for excellence during the recent global pandemic in support of the holding company of Customer B Group and its customers.
2023	WESB	Rapiscan Systems Sdn Bhd	Business Partner Recognition

## 7.2 OVERVIEW OF OUR BUSINESS

### 7.2.1 Our business model

Our business model is depicted in the following diagram:



**Notes:**

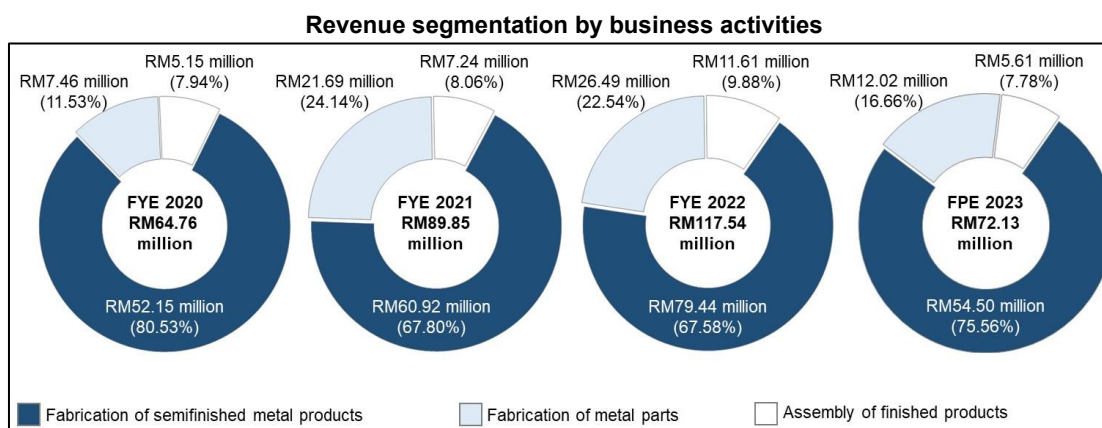
- (1) Semifinished metal products comprise metal bodies and accessories.
- (2) The United States accounted for 0.39%, 1.30%, 1.71% and 0.50% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.
- (3) Prior to FYE 2022, we had an indirect distribution channel via the Indirect Business Arrangement where 2 of our top 5 customers placed their orders through Wencor. Please refer to Section 7.2.4 of this Prospectus for further details of the Indirect Business Arrangement.
- (4) Others include manufacturers of passenger coaches and industrial 3D printers.

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.2.2 Business activities and revenue streams

We are involved in the fabrication of semifinished metal products, fabrication of metal parts, and assembly of finished products. We are supported by our in-house facilities including CNC machines and other manufacturing equipment as well as surface treatment and coating facilities.

Our revenue segmentation by business activities is as follows:



Between FYE 2020 and FYE 2022, our total revenue recorded a CAGR of 34.72%.

#### (i) Fabrication of semifinished metal products

Fabrication of semifinished metal products is our largest revenue contributor as it accounted for RM52.15 million (80.53%), RM60.92 million (67.80%), RM79.44 million (67.58%) and RM54.50 million (75.56%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Between FYE 2020 and FYE 2022, revenue from the fabrication of semifinished metal products recorded a CAGR of 23.42%.

Within this business activity, we fabricate metal bodies and accessories to be used in security screening equipment and CNC machines. These metal bodies and accessories are semifinished products that are supplied to our customers, who are equipment manufacturers where the products will need to undergo additional manufacturing processes to become finished products.

#### (ii) Fabrication of metal parts

We also fabricate metal parts which accounted for RM7.46 million (11.53%), RM21.69 million (24.14%), RM26.49 million (22.54%) and RM12.02 million (16.66%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Between FYE 2020 and FYE 2022, revenue from fabrication of metal parts recorded a CAGR of 88.38%.

Our fabricated metal parts include support blocks, brackets, panels, cover plates, cable covers, housings, channels and tunnels. These metal parts are used by our customers who are manufacturers of semiconductor manufacturing equipment, medical diagnostic equipment, industrial 3D printers, passenger coaches and security screening equipment.

## 7. BUSINESS OVERVIEW (CONT'D)

### (iii) Assembly of finished products

Our assembly of finished products segment produces walk-through metal detectors used for security screening applications and this segment accounted for RM5.15 million (7.94%), RM7.24 million (8.06%), RM11.61 million (9.88%) and RM5.61 million (7.78%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Between FYE 2020 and FYE 2022, revenue from assembly of finished products recorded a CAGR of 50.25%. During the Period Under Review and as at the LPD, we were only involved in assembling walk-through metal detectors.

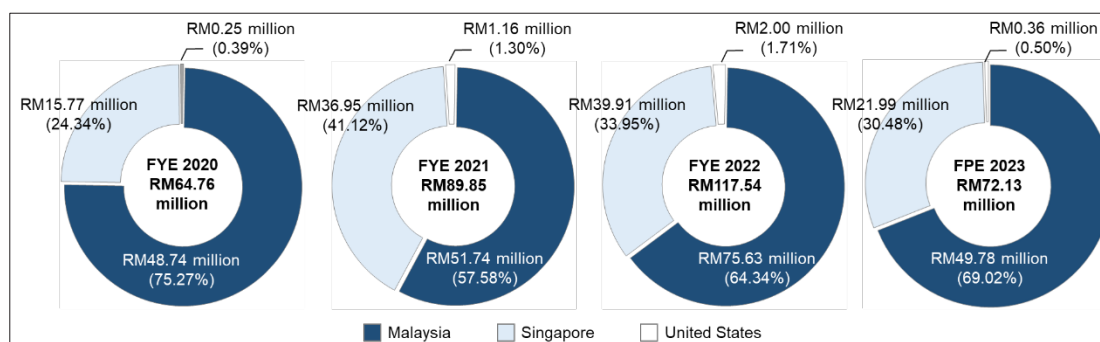
Our assembly of finished products segment mainly involves assembling the materials procured from our customer's approved suppliers together with the aluminium plates that we fabricate in-house to produce a complete operational walk-through metal detector. Our assembly process covers electrical, electronic and mechanical parts, components and systems as well as electrical wiring and processing system installation, and functional testing of the finished products.

For further information on our products and services, please refer to Section 7.4 of this Prospectus.

### 7.2.3 Geographical markets

Our principal markets are Malaysia and Singapore, which collectively accounted for 99.61%, 98.70%, 98.29% and 99.50% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Our revenue segmentation by geographical markets during the Period Under Review is as follows:

Revenue segmentation by geographical market



Malaysia was our largest market as it accounted for RM48.74 million (75.27%), RM51.74 million (57.58%), RM75.63 million (64.34%) and RM49.78 million (69.02%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Between FYE 2020 and FYE 2022, revenue from Malaysia recorded a CAGR of 24.56%.

Our largest foreign market during the Period Under Review was Singapore, which accounted for RM15.77 million (24.34%), RM36.95 million (41.12%), RM39.91 million (33.95%) and RM21.99 million (30.48%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Between FYE 2020 and FYE 2022, revenue from Singapore recorded a CAGR of 59.10%.

The remainder of our revenue during the Period Under Review was from the United States.



**7. BUSINESS OVERVIEW (CONT'D)****7.2.4 Distribution channels and customer base**

For FYE 2020 and FYE 2021, we mainly utilised an indirect distribution channel through the Indirect Business Arrangement to serve the Rapiscan Group and the Customer E Group, as well as a direct distribution channel to serve other customers directly.

Under the Indirect Business Arrangement, Wencor would secure purchase orders from the Rapiscan Group and the Customer E Group and then issue a corresponding purchase order to us. We manufactured the products based on the purchase order and arranged for delivery to the destination specified by the customer. During the manufacturing process, it was common for us to communicate directly with the customer in relation to matters such as product design, prototyping, any engineering support that we may provide, series production and delivery schedule.

In December 2021, the Indirect Business Arrangement was discontinued and we have since been dealing directly with the Rapiscan Group and the Customer E Group. Since FYE 2022, we only utilise the direct distribution channel to serve all of our customers.

The revenue contribution from our indirect and direct distribution channels and types of customers for the 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	%
<b>Direct – Manufacturers</b>	<b>16,127</b>	<b>24.90</b>	<b>42,731</b>	<b>47.56</b>	<b>117,540</b>	<b>100.00</b>	<b>72,129</b>	<b>100.00</b>
Security screening equipment manufacturers	4	0.01	4,660	5.19	74,448	63.34	47,721	66.16
Semiconductor manufacturing equipment manufacturers	3,221	4.97	18,900	21.03	23,066	19.62	10,889	15.10
CNC machine manufacturers	8,688	13.42	16,540	18.41	16,684	14.19	12,440	17.24
Medical diagnostic equipment manufacturers	3,169	4.89	2,316	2.58	3,193	2.72	972	1.35
Others <sup>(1)</sup>	1,045	1.61	315	0.35	149	0.13	107	0.15
<b>Indirect</b>	<b>48,632</b>	<b>75.10</b>	<b>47,123</b>	<b>52.44</b>	-	-	-	-
Wencor <sup>(2)</sup>	48,632	75.10	47,123	52.44	-	-	-	-
<b>TOTAL</b>	<b>64,759</b>	<b>100.00</b>	<b>89,854</b>	<b>100.00</b>	<b>117,540</b>	<b>100.00</b>	<b>72,129</b>	<b>100.00</b>

Notes:

- (1) Others include manufacturers of passenger coaches and industrial 3D printers.
- (2) Pursuant to the Indirect Business Arrangement. The customers of Wencor that we served are security screening equipment manufacturers.

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**7. BUSINESS OVERVIEW (CONT'D)**

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**7.2.5 Mode of operations****Supply agreements**

As at the LPD, we have 5 subsisting supply agreements with certain customers. The supply agreements describe the general terms and conditions of our business relationship with the respective customer. The supply agreements do not stipulate unit pricing or any other pricing. The tenure of our 5 subsisting supply agreements with the customers ranges from 1 year to 5 years from the effective date of the respective supply agreements. Save for our supply agreement with Customer E1, all supply agreements will be automatically renewed and continue until either party provides notice of non-renewal in accordance with the terms and conditions outlined in their respective supply agreements.

The supply agreements do not, in itself, constitute an order to purchase any goods from us. Customers with subsisting supply agreements are still required to issue a purchase order when they intend to purchase any goods from us. Save for our supply agreement with Customer E1, there is no minimum yearly purchase amount stated in the other 4 subsisting supply agreements with our customers. Our supply agreement with Customer E1 stipulates a minimum purchase amount for the entire agreement tenure based on 85% of the forecast quantity for the initial 12 months of the agreement tenure.

As at the LPD, save for our supply agreement with Customer E1, our Group's business or profitability is not materially dependent on any other subsisting supply agreements mentioned above. For further information on our supply agreement with Customer E1, please refer to Section 7.25 of this Prospectus.

**Purchase orders**

All customers (with or without supply agreements) will need to issue purchase order to purchase goods from us. Before the issuance of purchase order, potential customers will provide us with requests for quotations for the products that they wish to purchase. We will respond with a written quotation for the customer's consideration and acceptance in writing. Once all the terms and conditions are agreed, customers will issue purchase order that will specify, among others, the product type, specification, quantity and agreed price, as well as other terms such as payment terms, delivery destination and schedule.

**Payment terms**

We invoice all of our customers for the entire purchase order value when the products are delivered to the specified destination. As at the LPD, our normal credit terms that we extend to our customers ranges from 30 days to 60 days.

**Product returns and warranty**

Upon delivery, our customers will count and visually inspect the products. If the delivery is in order, they are required to sign the delivery order as written confirmation that they have received the correct order and that the products received are in good condition. Any products that are found to be damaged in transit will be returned to us to be reworked, failing which we will provide the customer with a new replacement.

We provide 1 year to 3 years warranty for customers that have a supply agreement with us and this is for our semifinished metal products (comprising metal bodies and accessories) and metal parts. If our products are found to be defective or do not conform to specifications, our customers may claim against the warranty and we will have to make good the products either by reworking, repairing or replacing the product at our own cost. We do not provide any warranty to other customers that do not have a supply agreement with us. However, as a gesture of goodwill towards our customers, it is our practice to make good the products at our own cost if our customers return our products due to defective products or damaged products during transportation. This is a voluntary practice and it is not stipulated in our invoices to our customers.

## **7. BUSINESS OVERVIEW (CONT'D)**

### **7.3 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS**

#### **7.3.1 We have an established track record of approximately 22 years to serve as a reference site for potential customers**

We have an established track record of approximately 22 years as a fabricator of semifinished metal products and metal parts and approximately 18 years as an assembler of finished products since the commencement of operations in 2001. Since the inception of our business, we have developed long-term relationships with our customers where our top 5 major customers for the FPE 2023 have been dealing with us for between 2 and 13 years. For further information on our major customers, please refer to Section 7.12 of this Prospectus.

This demonstrates our ability to continue to meet our customers' requirements and expectations and more importantly, our ability to maintain our business relationships with our existing customers which will serve as an important reference point for potential customers. Our established track record and our subsisting customer relationships will provide us with the platform to sustain and grow our business.

#### **7.3.2 We have a physical presence in Singapore which provides us with an additional market to grow our business**

WEPL was incorporated in 2008 and it commenced business operations with its first sales to a customer in Singapore in the same year. We have a sales office in Singapore where we conduct sales and marketing and provide after-sales services to customers in Singapore. As at the LPD, WEPL had 7 employees comprising 1 Director, 1 assistant manager, 1 office assistant and 4 technical personnel.

During the Period Under Review, our market in Singapore accounted for RM15.77 million (24.34%), RM36.95 million (41.12%), RM39.91 million (33.95%) and RM21.99 million (30.48%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Our business operations in Singapore are an advantage as it provides us with an additional market to Malaysia, which expands our addressable markets and in turn, provides opportunities for our future business growth. In addition, it provides mitigation against the risk of a business downturn in one particular country.

#### **7.3.3 We have a range of production facilities to meet the needs of customers for fabricated semifinished metal products and metal parts**

Our business operations are supported by our in-house facilities for the fabrication of semifinished metal products and metal parts. As at the LPD, our facilities include the following:

- 2 units of CNC combined laser cutting and turret punching machines;
- 1 unit of CNC turret punching machine;
- 1 unit of CNC tube laser cutting machine;
- 4 units of CNC laser cutting machines;
- 12 units of CNC bending machines;
- 8 units of CNC robotic-arm welding machines (6 units of MIG welding, 1 unit of TIG welding and 1 unit of laser welding);
- 6 units of manual laser welding sets;
- 8 units of CNC milling machines (3 large format CNC milling machines and 5 conventional format CNC milling machines); and
- 1 zinc electroplating line, 4 powder coating and oven lines and 1 spray painting line.

We utilise CNC combined laser cutting and turret punching machines, and CNC milling machines that enable us to fabricate large workpieces:

- Out of the 3 units of CNC milling machines, our largest is a double-column 5-face machine with maximum x, y and z axis travel of 4.10 metres by 2.70 metres by 1.30 metres with the capability to machine parts with a minimum tolerance of +/- 30 microns.

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## **7. BUSINESS OVERVIEW (CONT'D)**

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- Out of the 2 units of CNC combined laser cutting and turret punching machines, our largest unit enables us to carry out cutting and punching of metal sheets measuring 1.50 metres by 3.00 metres with a minimum tolerance of +/- 50 microns.

The use of the above machinery and equipment would enable us to achieve the following dimensional tolerances:

- +/- 100 microns for metal sheets, which we use to produce metal covers for metal bodies, and the base for modules;
- +/- 30 microns for frames used to produce metal bodies;
- +/- 30 microns for machined metal pieces, including those that are subsequently installed in metal bodies, accessories and parts that we fabricate.

Our facilities also enable us to serve customers in various sectors including manufacturers of the following:

- security screening equipment;
- semiconductor manufacturing equipment;
- CNC machines;
- medical diagnostic equipment;
- passenger coaches; and
- industrial 3D printers.

Our range of machinery and equipment as well as surface coating facilities enable us to address opportunities in multiple industries that require metal bodies, accessories and parts for their manufactured products.

### **7.3.4 We have the technical expertise supported by our in-house engineers to meet our customers' specifications**

We have the engineering capabilities to provide a comprehensive solution and convenience to our customers on the following:

- Engineering support during the new product introduction stage where we refine the design provided by the customer based on production process optimisation and prototyping work.
- Develop technical drawings based on customers' initial designs and specifications together with CAD drawings and the CAM programmed instructions that control the operations of our CNC laser cutters, machine tools and robotic-arm welding.
- Design the jigs and fixtures, which are used to hold and accurately position workpieces as they are cut, machined or welded.

As at the LPD, we have a total of 12 engineers supporting our fabrication operations comprising 7 new product introduction engineers, 3 production engineers, 1 CAM engineer and 1 compliance engineer. We are also supported by 4 engineers in the sales and marketing department and 3 engineers in the quality assurance department.

### **7.3.5 We have quality programmes and certifications to support our commitment and emphasis on product quality**

As a fabricator of semifinished metal products and metal parts that are used in various applications including security screening equipment, semiconductor manufacturing equipment, CNC machines and medical diagnostic equipment, quality is paramount in our operations. Our commitment to quality is supported by our ISO 9001:2015 quality management system certified by Global Compliance Certification Pty Ltd.

As part of our fabrication processes, we also inspect the input materials, and in-process quality checks during various stages of production as well as final inspection before packing and delivery to customers. Some of the inspections and testing that we carry out to ensure that the in-process or completed parts or products meet customers' specifications are as follows:

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## **7. BUSINESS OVERVIEW (CONT'D)**

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- Measurement tests to ensure the geometry of the completed fabricated metal bodies fall within the required tolerance specified in the drawings;
- Critical dimension inspection of completed fabricated metal bodies, accessories and parts to verify that the specific parameters such as straightness, bend angle, space between gaps, the thickness of material and size, shape and dimensions of openings fall within the required tolerance specified in the drawings. The parameters of measurement would depend on the product that is involved;
- Checking the proper functioning of equipment and accessories installed in metal bodies, such as doors, windows and handles;
- 12-hour burn-in and functional testing for completed walk-through metal detectors; and
- Visual inspection of completed fabricated semifinished metal products and metal parts, and assembled finished products.

As at the LPD, our quality assurance team comprises 9 personnel, out of whom 3 of these are engineers. The responsibility of the quality assurance team is to ensure that we meet the specifications of our customers.

### **7.3.6 We have an experienced key senior management team to manage and grow our business**

We have an experienced key senior management team headed by our Group CEO and Non-Independent Executive Director as follows:

- Chuah Chong Syn, our Group CEO, has approximately 21 years of experience in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products industries. He is responsible for our Group's overall business operations, and manages our Group's operations and supply chain functions;
- Wong Chun Wei, our Non-Independent Executive Director, has approximately 10 years of combined experience in marketing, operations and business development. He is responsible for overseeing our Group's corporate development and strategy functions, as well as sales and customer service activities.

They are supported by other key senior management personnel comprising the following:

- Tai Yuan Heng, our General Manager, has approximately 35 years of experience in the metal fabrication industry. His responsibilities include overseeing our day-to-day production operations, supervising our production workers and production planning;
- Yap Yew Wei, our Group Financial Controller, has approximately 7 years of experience in the fields of accounting and finance, and he is responsible for our Group's overall accounting and financial matters, including internal controls and administrative functions; and
- Lew Sia Ching, our Head of Supply Chain, has approximately 17 years of experience in the field of procurement and she is responsible for overseeing our Group's procurement, inventory management and logistics functions.

Please refer to Section 5.4.2 of this Prospectus for the profiles of our key senior management team.

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## **7. BUSINESS OVERVIEW (CONT'D)**

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### **7.4 BUSINESS ACTIVITIES AND PRODUCTS**

#### **7.4.1 Fabrication of semifinished metal products**

##### **(i) Overview**

Our fabrication of semifinished metal products involves fabricating metal bodies and accessories by cutting, punching, bending, milling, welding, surface finishing and joining individual pieces to form the products. We commonly work with carbon steel, stainless steel and aluminium for our semifinished metal products.

We fabricate individual metal pieces in-house using CNC machining namely CNC milling, and CNC manufacturing equipment such as CNC laser cutting, CNC turret punching, CNC bending and CNC welding to achieve the accuracy and tolerance according to the specifications of our customers. We also carry out surface treatment such as sandblasting, degreasing, buffing, zinc phosphate treatment and chemical treatment, and surface coating including zinc electroplating, powder coating and spray painting. In addition, we purchase some parts such as, among others, motors, pumps, cooling fans, wiring, sliding doors, hinges, handles and windows, rollers, castors, rails and conveyor belts from third parties, which we will install to make up the semifinished products.

##### **(ii) Metal bodies**

The metal bodies that we fabricate form the outer portion of a system or machine that gives it its shape and appearance, and provides the structure to support and enclose moving or static parts and equipment within the metal body. The cover of a metal body also protects people from moving parts and other hazards such as electricity.

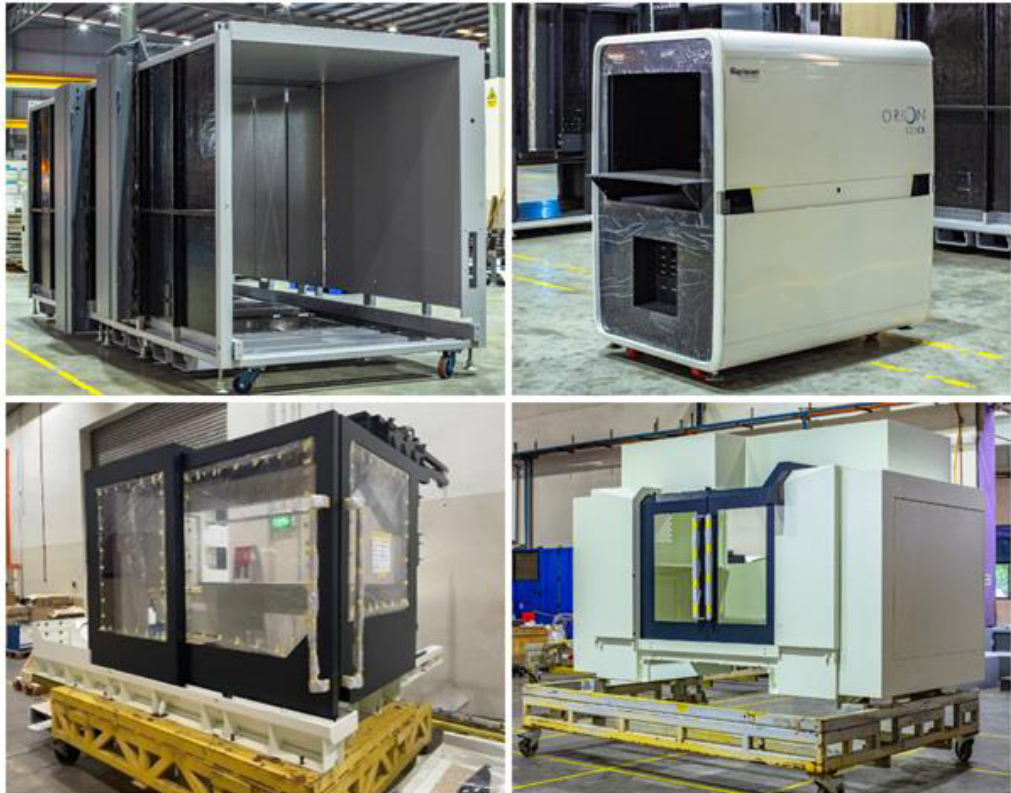
The metal bodies that we fabricate consist of the following:

- inner frame that provides structural strength and gives the metal body its shape;
- metal sheet cover that encloses and secures the system or machine's components, while also protecting people;
- doors and covers that provide access to the machine's components;
- brackets and mounts to hold components, sensors and equipment in place; and
- panels which incorporate openings to install display screens, gauges, buttons and other control equipment.

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## 7. BUSINESS OVERVIEW (CONT'D)

Some examples of the metal bodies that we fabricate are illustrated below:



*Top: Metal bodies of security scanning machine; Bottom: Metal bodies of CNC machine*

In addition, we may install various specified components, sensors and equipment in some of the metal bodies that we fabricate depending on the customer's requirements and this includes the following:

- mechanical and electrical equipment such as cooling fans, pumps and motors;
- electrical wiring and sensors;
- fittings such as sliding doors, hinges, handles and windows;
- attached conveyor belt system that is part of the security screening system used to transport cargo or baggage through the x-ray chamber, including motor, rollers, castors, rails and conveyor belt; and
- lead sheet lining on the interior of the metal bodies for x-ray screening systems to shield people from x-ray emissions when the system is in use.

However, the fabrication of metal bodies and the installation of various components, sensors and equipment do not result in a complete and fully-functioning machine or system. Our customers or their appointed manufacturers will further incorporate other items such as control systems, processing hardware and software, and other mechanical, electrical and electronic parts within the metal bodies to form the finished operational product.

### (iii) Metal accessories

We also fabricate metal accessories for security screening equipment and CNC machines.

The metal accessories that we fabricate for security screening equipment are used together with baggage security screening machines to create checkpoints at international points of entry such as airports, seaports, and rail and land border crossings. Some examples include the following:

## 7. BUSINESS OVERVIEW (CONT'D)

- Tray return system that is used to transfer, segregate and return trays as part of the checkpoint. We fabricate parts of the system such as the cover, legs, support rib, brackets and stopper plate. Subsequently, we would install these parts together with other parts that we purchased from our customers' approved suppliers and/or our suppliers such as rollers, wire harnesses and fasteners to create the tray return system;
- Console tables which are connected with the tray return system where bags and luggage are placed for inspection, and loaded and unloaded from trays.

The metal accessories that we fabricate for CNC machines include the following:

- Coolant tank that holds the liquid coolant that is sprayed onto the workpiece and tooling during machining operations to provide cooling and flush away the removed materials; and
- Cyclone filter, which is used to separate the removed materials from the liquid coolant.

### Examples of accessories that we fabricate



*Left: Tray return system; Right: Coolant tank*

Subsequently, we would install purchased parts procured from our customer's approved suppliers and/or our suppliers such as pumps, motors, wire harnesses and sensors for the fabricated coolant tanks and cyclone filters.

The metal accessories that we fabricate comprise metal sheets and tubes that have been cut into shapes, punched to create internal openings, bent, welded and milled to form the desired shape and to provide the required functionality. We utilise CNC machinery and equipment including laser cutting, turret punching, bending, machining and robotic-arm welding, as well as manual welding in the fabrication of metal accessories.

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**7. BUSINESS OVERVIEW (CONT'D)**

**(iv) Applications of our metal bodies and accessories**

We fabricate metal bodies and accessories for the following types of systems and machines:

**(a) Security screening equipment**

The metal bodies and accessories that we fabricate are used for security screening equipment in the form of x-ray screening systems for cargo and baggage. This type of equipment has x-ray emitters and imaging software that are used to form an image of the contents of pallets, boxes, parcels, baggage and other items. In addition, it includes a conveyor system which is used to transport the cargo or baggage through the x-ray chamber, which is lined with lead sheets and curtains to protect people from x-ray emissions. X-ray screening systems for cargo are larger and are usually installed at customs inspection facilities at seaports, airports and freight railway stations, while smaller x-ray screening systems for baggage may be installed at international points of entry such as airports, seaports, and rail and land border crossings, as well as facilities including sports stadiums, concert and entertainment venues, museums, embassies, and certain government and commercial buildings.

**Baggage security screening equipment with metal bodies and accessories (including outer covering and attached conveyor belt system)**



**(b) CNC machines**

We also fabricate metal bodies and accessories for the use in CNC machines, such as milling machines and electrical discharge machining (EDM) machines.

**CNC machine with metal bodies and accessories**



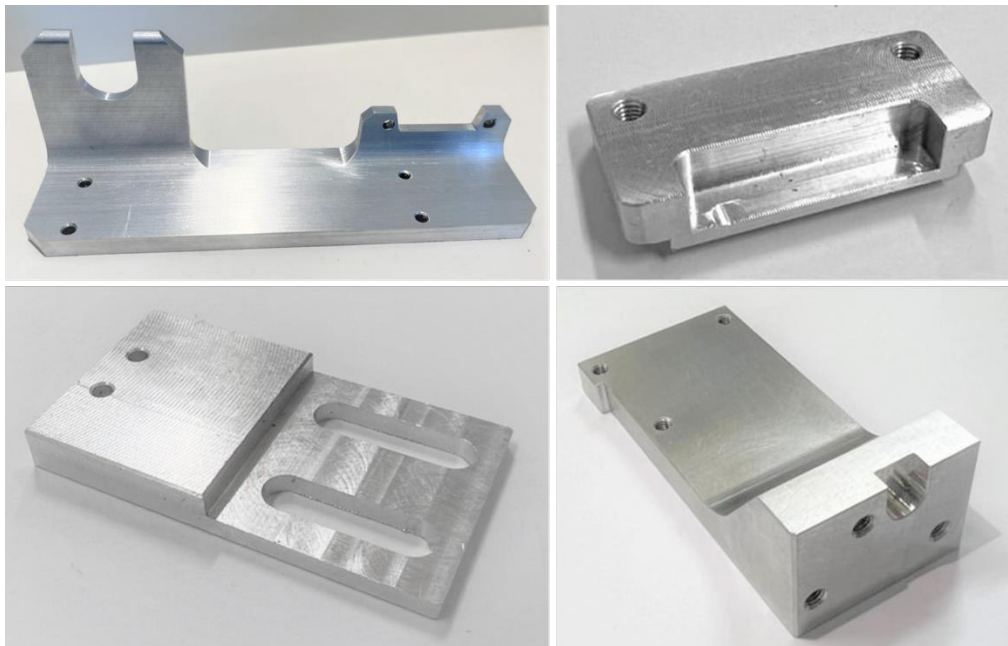
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**7. BUSINESS OVERVIEW (CONT'D)**

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**7.4.2 Fabrication of metal parts****(i) Overview**

Our fabrication of metal parts segment primarily involves utilising CNC machines and other manufacturing equipment to fabricate metal parts. Our Group mainly utilises carbon steel (including electrogalvanised steel) as well as stainless steel, aluminium and brass to fabricate metal parts. Our fabrication of metal parts business is targeted at manufacturing industries that use metal parts for their products including, among others, machines, equipment and vehicles. These metal parts are mainly discrete items with no other installed equipment or wiring. The metal parts that we fabricate start as input materials in the form of metal blocks, plates, sheets, rods and bars, which are then cut, perforated, bent, milled and/or welded to produce the desired metal part. We mainly utilise carbon steel (including electrogalvanised steel) as well as stainless steel, aluminium and brass to fabricate metal parts.

**Examples of support blocks that we fabricate****(ii) Fabrication processes**

We mainly use CNC machines for our fabrication of metal parts, including laser cutting and turret punching, bending, milling and welding. Manual welding is used when CNC welding is not practical. Please refer to Section 7.4.4 for details of our CNC machines and processes.

Some of our metal parts also go through surface treatment and coating for aesthetic reasons and/or corrosion and scratch resistance. As at the LPD, we carry out surface treatments such as sandblasting, degreasing, buffing and zinc phosphate treatment, as well as surface coatings such as zinc electroplating, powder coating and spray painting in-house. Other forms of surface finishing such as nickel electroplating, chrome electroplating and aluminium anodising are outsourced to third-party service providers. Please refer to Section 7.4.5 for details of our surface treatment and coating facilities and processes.

**7. BUSINESS OVERVIEW (CONT'D)**

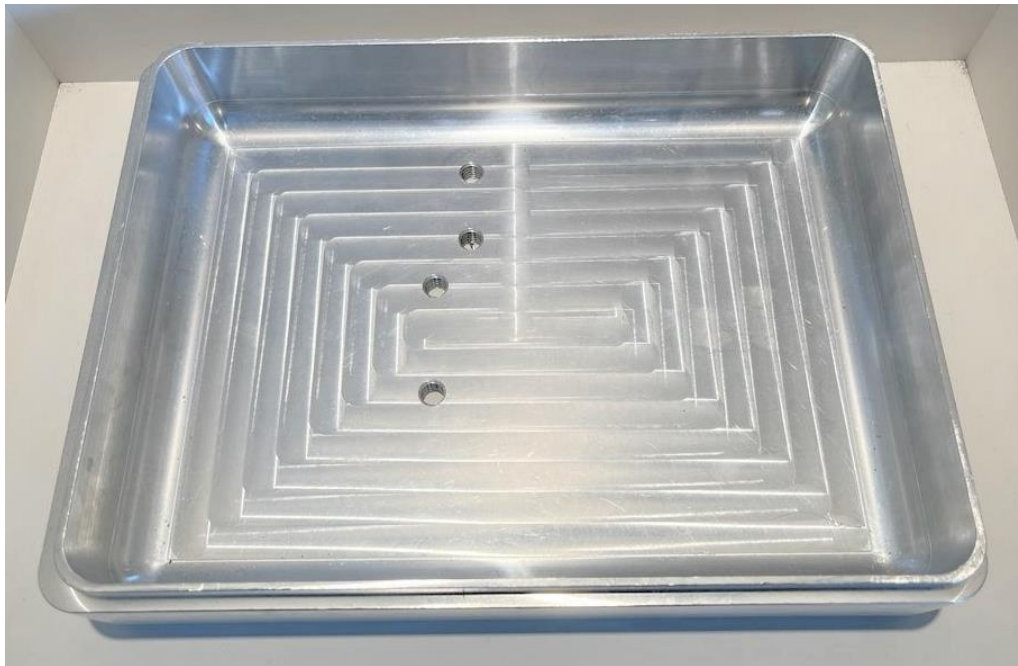
**(iii) Applications of our metal parts**

The metal parts that we fabricate are used by our customers to produce various finished products and these are as follows:

Types of finished products	Types of parts that we fabricate
<p><b>Semiconductor manufacturing equipment</b> that are used to perform one or more specific functions in the process of manufacturing semiconductors</p>	<ul style="list-style-type: none"> <li>• Support blocks</li> <li>• Brackets</li> <li>• Panels and cover plates</li> <li>• Cable covers</li> <li>• Housings</li> <li>• Inner frame</li> </ul>
<p><b>Medical diagnostic equipment</b> that are used to automatically perform a specific diagnostic function, such as genetic sequencing or blood testing.</p>	<ul style="list-style-type: none"> <li>• Support blocks</li> <li>• Brackets</li> <li>• Panels and cover plates</li> <li>• Cable covers</li> <li>• Channels and tunnels</li> <li>• Housings</li> </ul>

In addition, we fabricate metal parts that are used by our customers to produce other types of finished products, including industrial 3D printers, passenger coaches and security screening equipment.

**Example of the housings that we fabricate**



**7.4.3 Assembly of finished products**

We carry out the assembly of finished products. For the Period Under Review, our assembly business involves walk-through metal detectors for security screening applications. During the Period Under Review and as at the LPD, we were only involved in assembling walk-through metal detectors.

## 7. BUSINESS OVERVIEW (CONT'D)

Our assembly business segment involves joining the workpieces together with procured parts and other materials to produce the finished products that are operational and ready for use. The assembly of finished products mainly utilises materials procured from our customer's approved suppliers as well as aluminium plates that are fabricated in-house, which are then assembled to become the complete operational products. The entire process is carried out in-house in accordance with the design and technical drawings provided by the customers. The assembly process covers electrical, electronic and mechanical parts, components and systems, as well as electrical wiring and processing system installation, and functional testing of the finished products.

Examples of our assembled walk-through metal detectors



### 7.4.4 Our fabrication facilities

#### (i) CNC machines and processes

CNC refers to the automated operation of machines and equipment using a computer with programmed instructions and logic without requiring intervention from an operator during operations. Computer-aided design software (CAD) is used to design and generate a 3D drawings and models of the product, which is then input into computer-aided manufacturing (CAM) software to generate the programmed instructions to carry out the machining function. CNC is used to control machine tools and manufacturing equipment.

The CNC machines that we use are focused on using a cutting tool to remove materials from a workpiece until the required profile or shape is attained, as well as perform other functions such as cutting, bending and welding. The functions of our CNC machines are as follows:

- Milling, where the cutting tool rotates and is placed against a stationary workpiece to remove materials from the workpiece. Milling includes drilling holes, making grooves and grinding surfaces;
- Laser cutting of metal plates, sheets or tubes, including cutting of complex shapes and internal geometric or free-hand designs;
- Punching where a tool is pushed through a metal sheet to create a hole of the desired size and shape;
- Bending metal sheets, plates, tubes, bars or rods into the desired angle or shape; and
- Welding to join edges or attach pieces.

CNC machines can identically repeat their programmed instructions with precision and are not subject to fatigue or human error. As a result, production processes that utilise CNC technologies incorporating CAD and CAM have the following characteristics:

- The ability of CNC machines to control the movement and operation of the tooling and/or workpiece, thus enabling the production of metal pieces with complex shapes and geometries to a high degree of precision;
- Minimal variation between workpieces and consistent quality in series production;
- CNC machines can be quickly reset to produce different designs;

## 7. BUSINESS OVERVIEW (CONT'D)

- Modifications to product design and programmed instructions can be made using CAD/CAM, and electronically uploaded onto the relevant CNC machines or manufacturing equipment, thereby making it relatively easy to improve quality and efficiency, and to correct errors; and
- Programmed instructions are also easy to copy and transmit electronically, making it relatively easy to duplicate the process across several CNC machines.

### (a) CNC laser cutting machines

A CNC laser cutting machine uses a high-powered laser beam to cut metal sheets into any shape and design. The cutting action is done by focusing a thin laser beam on the metal which heats the metal so strongly that the metal melts or vaporises. The movement and operation of the laser cutting tool are CNC controlled while the metal sheet is fixed. The use of a laser cutting tool with precise CNC-controlled movements allows for the production of metal pieces with intricate designs with a high degree of precision and clean cuts that do not require further finishing.

As at the LPD, we have 4 units of CNC laser cutting machines for metal sheets and plates. These machines can laser cut carbon steel, stainless steel or aluminium sheets with a maximum thickness of 22.00 mm, 15.00 mm and 10.00 mm, respectively. We also have 1 unit of CNC tube laser cutting machine which is mainly used to cut tubes to length.

As at the LPD, our largest CNC laser cutting machine can handle steel metal sheets measuring up to 1.52 metres by 3.05 metres.

#### Our CNC laser cutting machines



Top: CNC laser cutting machine; Bottom: CNC tube laser cutting machine