

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF KHPT HOLDINGS BERHAD (“KHPT” OR THE “COMPANY”) DATED 19 SEPTEMBER 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 (“**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, KAF Investment Bank Berhad (“**KAF IB**”) or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, from the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, KAF IB and KHPT take no responsibility for the distribution of the Electronic Prospectus and/or the sale of ordinary shares in KHPT (“**Share(s)**”) outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from **10.00 a.m. (Malaysian time) on 19 September 2024** and will close at **5.00 p.m. (Malaysian time) on 25 September 2024**. If there is any change to the timetable, KHPT will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspaper within Malaysia, and make an announcement of such changes on Bursa Securities’ 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.



KHPT

KHPT HOLDINGS BERHAD

PROSPECTUS



KHPT HOLDINGS BERHAD

(Registration No. 201901005770 (1315097-M))
(Incorporated in Malaysia under the Companies Act 2016)

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

- (I) PUBLIC ISSUE OF 108,644,300 NEW ORDINARY SHARES IN KHPT ("SHARES") IN THE FOLLOWING MANNER:
- 20,119,400 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 10,059,700 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES OF OUR GROUP;
 - 78,465,200 NEW SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- (II) OFFER FOR SALE OF 38,226,600 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.20 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



No securities will be allotted or issued based on this Prospectus after 6 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 147.

Bursa Securities has approved the admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval 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 UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED 19 SEPTEMBER 2024



KHPT HOLDINGS BERHAD

(Registration No. 201901005770 (1315097-M))
(Incorporated in Malaysia under the Companies Act 2016)



Head Office :

Lot 2228, Jalan Kasawari
Kawasan Perusahaan Kebun Baru
Batu 9, Kg. Kebun Baru
42500 Telok Panglima Garang
Kuala Langat, Selangor Darul Ehsan.



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Email :

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www.khpt.com.my

PROSPECTUS

Unless otherwise defined, all capitalised terms used shall bear the same meanings as defined under "Definitions" and "Glossary of Technical Terms" sections of this Prospectus.

RESPONSIBILITY STATEMENTS

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

KAF Investment Bank Berhad, 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 our IPO.

STATEMENTS OF DISCLAIMER

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.

This Prospectus, together with the Application Form, have 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 this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to our 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 the offering, 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. 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. Our Shares being offered in our IPO are offered solely based on the information contained and representations made in this Prospectus. Our Company, Directors, Promoter, Selling Shareholders, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorized by our Company, Directors, Promoter, Selling Shareholders, Principal Adviser, Sponsor, Underwriter and Placement Agent, any of their respective directors, or any other persons involved in our IPO.

This Prospectus has been prepared and published solely for our IPO under the laws of Malaysia. This Prospectus does not comply with the laws of 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 of any jurisdiction other than Malaysia.

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 countries or jurisdictions other than Malaysia to which you may be subject to. We will further assume that you had accepted our IPO in Malaysia and will be at all applicable times be subject only to the laws of Malaysia in connection therewith. 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.

It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subjected to. Neither we nor the Directors, Promoters, Selling Shareholders, Principal Adviser, Sponsor, Underwriter and Placement Agent nor any other advisers in relation to our IPO will accept any responsibility or liability if any application made by you shall become illegal, unenforceable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

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

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be 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 or the 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 paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to this Prospectus registered by the 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, 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 an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and
- (iii) 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 an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and/or dates:

Events	Indicative Dates
Opening of Application	19 September 2024
Closing of Application	25 September 2024
Balloting of Application	27 September 2024
Allotment of IPO Shares to successful Applicants	4 October 2024
Listing on the ACE Market	8 October 2024

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

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TABLE OF CONTENTS

	PAGE
PRESENTATION OF INFORMATION	vii
FORWARD-LOOKING STATEMENTS	viii
DEFINITIONS	ix
GLOSSARY OF TECHNICAL TERMS	xiv
1. CORPORATE DIRECTORY	1
2. INTRODUCTION	5
2.1 Approvals and conditions	5
2.2 Moratorium on our Shares	7
3. PROSPECTUS SUMMARY	9
3.1 Principal details of our IPO	9
3.2 Background and overview	9
3.3 Competitive strengths	10
3.4 Future plans and strategies	11
3.5 Risk factors	12
3.6 Directors and Key Senior Management	13
3.7 Promoter and substantial shareholders	14
3.8 Utilisation of proceeds	14
3.9 Financial highlights	15
3.10 Operational highlights	17
3.11 Dividend policy	18
4. PARTICULARS OF OUR IPO	19
4.1 Opening and closing of application	19
4.2 Indicative timetable	19
4.3 Details of our IPO	19
4.4 Basis of arriving at the IPO Price	24
4.5 Share capital and ranking of the Shares	24
4.6 Dilution	25
4.7 Utilisation of proceeds	26
4.8 Underwriting commission, brokerage fee and placement fee	30
4.9 Salient terms of the underwriting agreement	30
5. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	33
5.1 Promoter and substantial shareholders	33
5.2 Directors	37
5.3 Board practices	49
5.4 Management reporting structure	55
5.5 Key Senior Management	56
5.6 Family relationships and associations	59
5.7 Existing and proposed service agreements	59
5.8 Declarations by our Promoter, Directors and Key Senior Management	59
6. INFORMATION ON OUR GROUP	61
6.1 History and background	61
6.2 Share capital	64
6.3 Group structure	65
6.4 Information on our Subsidiary	67
6.5 Internal restructuring	68
6.6 Listing scheme	69
6.7 Material investment and divestitures	69
6.8 Public take-overs	70

TABLE OF CONTENTS (Cont'd)

	PAGE
7. BUSINESS OVERVIEW	71
7.1 Principal activities and products	71
7.2 Principal market and product segments	83
7.3 Process flow	84
7.4 Technology used	89
7.5 Manufacturing capacities and output	90
7.6 Interruptions to business and operations	92
7.7 Competitive strengths	93
7.8 Seasonality and cyclicalities	95
7.9 Types, sources and availability of major raw materials and input	96
7.10 Sales and marketing	99
7.11 Research and development	99
7.12 Future plans and strategies	99
7.13 Major customers	102
7.14 Major suppliers	105
7.15 Material dependency on commercial contracts, agreements and other arrangements	108
7.16 Major approvals, licences and permits obtained	115
7.17 Intellectual property	118
7.18 Properties, plant and equipment	119
7.19 Material machinery and equipment	124
7.20 Governing laws and regulations	125
7.21 Employees	130
7.22 Exchange controls	131
7.23 ESG practices	131
8. INDUSTRY OVERVIEW	134
9. RISK FACTORS	147
9.1 Risks relating to our business and operations	147
9.2 Risks relating to our industry	154
9.3 Risks relating to investment in our Shares	155
10. RELATED PARTY TRANSACTIONS	158
10.1 Related party transactions	158
10.2 Transactions that are unusual in nature or condition	159
10.3 Outstanding loans (including guarantees of any kind)	160
10.4 Monitoring and oversight of related party transactions	164
11. CONFLICT OF INTEREST	165
11.1 Conflict of interest	165
11.2 Declaration by advisers on conflict of interest	165
12. FINANCIAL INFORMATION	166
12.1 Historical financial information	166
12.2 Capitalisation and indebtedness	172
12.3 Management's discussion and analysis of results of operations and financial condition	173
12.4 Liquidity and capital resources	200
12.5 Review of cash flows	201
12.6 Borrowings	206
12.7 Types of financial instruments used, treasury policies and objectives	208
12.8 Material capital commitments	208
12.9 Material litigation and contingent liabilities	208
12.10 Key financial ratios	209
12.11 Impact of government, economic, fiscal or monetary policies	215
12.12 Impact of inflation	216

TABLE OF CONTENTS (Cont'd)

	PAGE
12.13 Impact of foreign exchange rates, interest rates and commodity prices on our Group's operations	216
12.14 Order book	217
12.15 Directors' statement on our Group's financial performance	217
12.16 Trend information	218
12.17 Dividend policy	218
12.18 Reporting Accountants' report on the compilation of the pro forma consolidated statements of financial position as at 30 June 2024	220
13. ACCOUNTANTS' REPORT	233
14. ADDITIONAL INFORMATION	311
14.1 Extract of our Constitution	311
14.2 Share capital	317
14.3 Deposited securities and rights of Depositors	318
14.4 Limitation on the right to own securities	318
14.5 Material litigation, claims and arbitration	318
14.6 Material contracts	318
14.7 Consents	319
14.8 Responsibility statements	319
14.9 Documents for inspection	319
15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	321
15.1 Opening and closing of Applications	321
15.2 Methods of Applications	321
15.3 Eligibility	322
15.4 Procedures for Application by way of Application Forms	323
15.5 Procedures for Application by way of Electronic Share Applications	324
15.6 Procedures for Application by way of Internet Share Applications	324
15.7 Authority of our Board and our Issuing House	324
15.8 Over / Under-subscription	325
15.9 Unsuccessful / Partially successful Applicants	325
15.10 Successful Applicants	326
15.11 Enquiries	327

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PRESENTATION OF INFORMATION

All references to the “**Company**” or “**KHPT**” in this Prospectus are to KHPT Holdings Berhad. All references to the “**Group**” or “**KHPT Group**” are to our Company and our Subsidiary taken as a whole. All 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 Directors 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/or neuter genders and vice versa. References to persons shall include companies and corporations, unless otherwise specified.

In this Prospectus, all 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 thousand 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.

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

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

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. As a result, any discrepancies in the tables or charts between the amounts listed and the totals in this Prospectus are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

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

In particular, certain information in this Prospectus is extracted or derived from the Independent Market Research Report on the Automotive Industry and Automotive Parts and Components Industry in Malaysia prepared by Smith Zander, an independent market research company. We have appointed Smith Zander to provide an independent market and industry review. In compiling their data for the review, Smith Zander had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly 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

This Prospectus includes forward-looking statements, which include 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 of our Management for future operations.

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

- (i) demand of our services and/or products;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) our ability to pay future dividends.

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

- (i) COVID-19 and possible similar future outbreak;
- (ii) the economic, political and investment environment in Malaysia; and
- (iii) government policy, legislation or regulation.

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

These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision 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

KHPT or the Company	: KHPT Holdings Berhad (Registration No. 201901005770 (1315097-M))
AGSB or Subsidiary	: Automev Global Sdn Bhd (<i>formerly known as Kah Hong Precision Tooling Sdn Bhd</i>) (Registration No. 199601031222 (403574-H))
KHPT Group or the Group	: Collectively, KHPT and its Subsidiary

GENERAL

ACE Market	: ACE Market of Bursa Securities
Acquisition	: Acquisition by KHPT of the entire interest of AGBS, comprising 250,000 AGBS Shares for a purchase consideration of RM31,724,148, entirely satisfied by the issuance of 293,742,111 new Shares at an issue price of RM0.108 per Share
Act	: Companies Act 2016
ADA	: Authorised Depository Agent
AGM	: Annual General Meeting
AGSB Shares	: Shares in AGBS
Applicant(s)	: Applicant(s) for the subscription of our IPO Shares by way of Application Forms or Electronic Share Application or Internet Share Application
Application Form(s)	: Printed application form(s) for the application of the IPO Shares accompanying this Prospectus
Application(s)	: Application(s) for the IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
ATM(s)	: Automated Teller Machine(s)
Board	: Board of Directors of our Company
Bumiputera	: In the context of: <ul style="list-style-type: none"> (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI: <ul style="list-style-type: none"> (a) registered under the Act as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and

DEFINITIONS (Cont'd)

	(iii)	cooperatives, a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CCC	:	Certificate of completion and compliance
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) 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
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Crowe or Reporting Accountants	:	Crowe Malaysia PLT (LLP No. 201906000005 (LLP0018817-LCA) & AF 1018)
Customer Group A	:	Customers within the same group of companies that are principally involved in the manufacturing and assembly of automotive parts and components in Malaysia. The holding company of these companies is listed on the Main Market of Bursa Securities. Consent was sought for the disclosure of the identity of Customer Group A but was not obtained. As such, the identity of Customer Group A is not be disclosed in the Prospectus.
Datin Eloise	:	Datin See Hui Pvng, the Promoter, Group Managing Director, and substantial shareholder of the Company
Depositor	:	A holder of a CDS Account
Director(s)	:	An executive director or a non-executive director of our Group and within the meaning given in Section 2 of the Act
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium
Electronic Share Application	:	Application for the IPO Shares through Participating Financial Institutions' ATM
Eligible Persons	:	Eligible Directors and employees of our Group as further detailed in Section 4.3.1 (ii) of this Prospectus
EPS	:	Earnings per Share
ESG	:	Environmental, social and governance

DEFINITIONS (Cont'd)

Financial Periods Under Review	:	Collectively, FYE 2021, FYE 2022, FYE 2023 and FPE 2024
FPE	:	6-month financial period ended 30 June
FYE(s)	:	Financial year(s) ended/ending 31 December, as the case may be
GP	:	Gross profit
ICA 1975	:	Industrial Co-ordination Act 1975
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent Market Research Report on the Automotive Industry and Automotive Parts and Components Industry in Malaysia prepared by Smith Zander as set out in Section 8 of this Prospectus
Internet Participating Financial Institutions	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for the IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
IPO	:	Collectively, the initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	The indicative issue/offer price of RM0.20 per IPO Share pursuant to the IPO
IPO Share(s)	:	Collectively, the Issue Share(s) and Offer Share(s)
Issue Share(s)	:	108,644,300 new Share(s) to be issued pursuant to the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
Ivy See	:	See Hui Shi, the substantial shareholder of the Company and director of AGSB
KAF IB or the Principal Adviser or Sponsor or Underwriter or Placement Agent	:	KAF Investment Bank Berhad (Registration No. 197401003530 (20657-W))
Key Senior Management	:	The key senior management of our Company as set out in Section 5.5 of this Prospectus
KHEI	:	Kah Hong Engineering Industries Sdn Bhd (Registration No. 199401000387 (286065-W))
KHPT Venture	:	KHPT Venture Sdn Bhd (Registration No. 201901004806 (1314133-X))
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged share capital on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made and enacted from time to time

DEFINITIONS (Cont'd)

Listing Scheme	: Collectively, the Public Issue, the Offer for Sale and the Listing
Lot 2625	: A piece of freehold land held under GM814, Lot 2625, Batu 13, Telok, Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor, with an address of Lot 2625, Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor Darul Ehsan
LPD	: 20 August 2024, being the latest practicable date prior to the registration of this Prospectus
Malaysian Public	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	: Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
MCCG	: Malaysian Code on Corporate Governance which came into effect on 28 April 2021
MCO	: The nationwide Movement Control Order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19
MFRS	: Malaysian Financial Reporting Standards
MIDA	: Malaysian Investment Development Authority
MITI	: Ministry of Investment, Trade and Industry of Malaysia
MyIPO	: Intellectual Property Corporation of Malaysia
N/A	: Not applicable
NA	: Net assets
NBV	: Net book value
Offer for Sale	: Offer for sale of 38,226,600 Offer Share(s) by the Selling Shareholders at the IPO Price to selected investors
Offer Share(s)	: 38,226,600 existing Share(s) to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	: A list specifying all securities listed on the ACE Market
Participating Financial Institutions	: The participating financial institution(s) for the Electronic Share Application, as listed in Section 15 of this Prospectus
PAT	: Profit after taxation
PBT	: Profit before taxation
PE Multiple	: Price-to-earnings multiple
Pink Form Allocation	: Allocation of 10,059,700 Issue Shares to the Eligible Persons, which forms part of the Public Issue

DEFINITIONS (Cont'd)

Pre-IPO Internal Restructuring Exercise	: Pre-IPO internal restructuring exercise involving the Shareholding Restructuring and Acquisition
Promoter	: Datin Eloise
Prospectus	: This Prospectus dated 19 September 2024 in relation to our IPO
Public Issue	: Public issue of 108,644,300 Issue Shares at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
Record of Depositors	: A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA
SC	: Securities Commission Malaysia
Selling Shareholder(s)	: Datin Eloise and Tiu Kuang Hong
Share(s)	: Ordinary share(s) in KHPT
Shareholding Restructuring	: The transfer of 12,500 AGSB Shares by Datin Eloise to Ivy See
SICDA	: Securities Industry (Central Depositories) Act 1991
Smith Zander or IMR	: Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V)), an independent market research company
SOP	: Standard operating procedure
Specified Shareholder(s)	: Datin Eloise and Ivy See
sq ft	: Square feet
sq m	: Square metres
TPG Factory	: The Group's sole principal place of business located at Lot 2228, Jalan Kasawari, Kawasan Perusahaan Kebun Baru, Batu 9, Kg. Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan
Underwriting Agreement	: The underwriting agreement dated 8 August 2024 entered into between our Company and the Underwriter pursuant to the IPO
WIP	: Work-in-progress
<u>CURRENCIES</u>	
RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
USD	: United States Dollar

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GLOSSARY OF TECHNICAL TERMS

Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

- Automotive platform** : A structure as a foundation for chassis, power steering system, car seats, engine placement, powertrain and suspension. This platform can be shared to use for various car model.
- Black plating** : An industrial plating process whereby the surface of an object (which is usually made of metal) is coated with a black- or dark-coloured finishing to enhance the object's corrosive resistance, visual and durability properties.
- Chassis** : The underlying framework of a vehicle which structurally supports and connects various components (e.g. frames, pillars or panels) of the vehicle.
- Cold forming process** : A metalworking technique using applied pressure and forces to shape and/or form metal parts and components at room temperature (or slightly above room temperature) without the need for heat application to melt the metal during the shaping and forming process.
- Co₂** : Carbon dioxide, gas used in welding to shield the weld and to create a stable and controlled environment for the welding arc to form and produce strong, clean welds.
- Dies** : Solid or hollow metal of a desired geometrical shape installed in press machines to cut or stamp metal sheets in order to form automotive parts and components in a desired shape or profile as part of metal stamping process.
- Electrophoretic Deposition ("ED") coating** : This is a process where water-based paint consisting of Pigment, Resin and Solvent is electroplated or coated on metal part or assemble part to enhance the object's corrosive resistance, visual and durability properties.
- Jigs** : Tools used to hold a workpiece in place to allow users to perform high-precision tasks, such as welding, drilling and quality checking on the workpiece.
- Local automotive manufacturers** : Malaysian companies that manufacture automotive vehicles which are sold under their own brand names (i.e. Proton and Perodua).
- Replacement market (REM)** : A segment in the automotive industry involving the manufacturing and sale of automotive parts, components, accessories and consumables as spare parts or replacement parts for service, repair and maintenance of used vehicles, as well as the provision of vehicle service, repair and maintenance services for used vehicles.
- Tier 1 Supplier(s) / Manufacturer(s)** : Company(ies) which supply automotive parts and components directly to local automotive manufacturers.
- Tier 2 Supplier / Manufacturer** : Company which supplies automotive parts and components to Tier 1 Suppliers / Manufacturers.
- Zinc plating** : An industrial plating process whereby the surface of an object (which is usually made of metal) is coated with a layer of zinc to enhance the object's corrosive resistance, visual and durability properties.

1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality
Datuk Noripah Binti Kamso (F)	Independent Non-Executive Chairperson	90, Jalan TR 8/3, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Malaysian
Datin Eloise (F)	Group Managing Director	No. 8, Lorong Batu Nilam 9D, Bandar Bukit Tinggi, 41200 Klang, Selangor.	Malaysian
Hideki Nomura (M)	Executive Director / Chief Business Development Officer	D-10-06, Urbana Residence, Jalan PJU 1A/46, Ara Damansara, 47301 Petaling Jaya, Selangor.	Japanese
Dato' Tang Ngat Ngoh (F)	Independent Non-Executive Director	No. 41, Jalan 1/5A, Taman Melati, 53100 Wilayah Persekutuan Kuala Lumpur.	Malaysian
Datuk Noor Azian Binti Shaari (F)	Independent Non-Executive Director	No. 62 Jalan Kekabu, Damansara Heights, 50490 Wilayah Persekutuan Kuala Lumpur.	Malaysian
Chan Yan San (M)	Independent Non-Executive Director	No. 72A, Jalan TR 9/2, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.	Malaysian

(M) = Male (F) = Female

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1. CORPORATE DIRECTORY (Cont'd)**AUDIT AND RISK MANAGEMENT COMMITTEE**

Name	Designation	Directorship
Chan Yan San	Chairman	Independent Non-Executive Director
Datuk Noor Azian Binti Shaari	Member	Independent Non-Executive Director
Dato' Tang Ngat Ngoh	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Tang Ngat Ngoh	Chairperson	Independent Non-Executive Director
Datuk Noor Azian Binti Shaari	Member	Independent Non-Executive Director
Chan Yan San	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : **Tai Yit Chan**
Boardroom Corporate Services Sdn Bhd
79, Jalan SS 22/32,
Damansara Jaya,
47400 Petaling Jaya,
Selangor Darul Ehsan.
- Telephone No. : (03) 7890 4800
Professional : MAICSA
qualification (Membership No.: 7009143)
SSM Practicing : 202008001023
Certificate No
- Tan Ai Ning**
Boardroom Corporate Services Sdn Bhd
7-8-1, Menara Hartamas,
Jalan Sri Hartamas 3,
50480 Kuala Lumpur.
- Telephone No. : (03) 7890 4800
Professional : MAICSA
qualification (Membership No.: 7015852)
SSM Practicing : 202008000067
Certificate No
- REGISTERED OFFICE** : 12th Floor, Menara Symphony,
No.5, Jalan Professor Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan.
- Telephone No. : (03) 7890 4800
Facsimile No. : (03) 7890 4650
- HEAD OFFICE** : Lot 2228, Jalan Kasawari,
Kawasan Perusahaan Kebun Baru,
Batu 9, Kg. Kebun Baru,
42500 Telok Panglima Garang,
Kuala Langat, Selangor Darul Ehsan.
- Telephone No. : (03) 3122 2772
Email : info@khpt.com.my
Website : www.khpt.com.my
- PRINCIPAL ADVISER,
SPONSOR, UNDERWRITER
AND PLACEMENT AGENT** : **KAF Investment Bank Berhad**
Level 13A, Menara IQ,
Lingkaran TRX,
Tun Razak Exchange,
55188 Kuala Lumpur.

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1. CORPORATE DIRECTORY (Cont'd)

AUDITORS AND REPORTING ACCOUNTANTS : **Crowe Malaysia PLT**
 Level 16, Tower C,
 Megan Avenue II,
 12 Jalan Yap Kwan Seng,
 50450 Kuala Lumpur.

Partner-in- charge : Ung Voon Huay
 Approval No. : 03233/09/2024 J
 Professional qualification : Fellow Chartered and Certified Accountant (FCCA) and Chartered Accountant Malaysia (C.A.(M))
 MIA membership no.: 14828

LEGAL ADVISERS : **Jeff Leong, Poon & Wong**
 B-11-8, Level 11,
 Megan Avenue II,
 Jalan Yap Kwan Seng,
 50450 Kuala Lumpur.

INDEPENDENT MARKET RESEARCHER : **Smith Zander International Sdn Bhd**
 15-01, Level 15, Menara MBMR,
 1, Jalan Syed Putra,
 58000 Kuala Lumpur

Person in-charge : Dennis Tan Tze Wen
 Qualification : Bachelor of Science, Memorial University of Newfoundland, Canada

(Please refer to Section 8 of this Prospectus for the profile of the firm and signing director)

SHARE REGISTRAR : **Boardroom Share Registrars Sdn Bhd**
 11th Floor, Menara Symphony,
 No. 5, Jalan Professor Khoo Kay Kim,
 Seksyen 13,
 46200 Petaling Jaya,
 Selangor Darul Ehsan.

ISSUING HOUSE : **Malaysian Issuing House Sdn Bhd**
 11th Floor, Menara Symphony,
 No. 5, Jalan Professor Khoo Kay Kim,
 Seksyen 13,
 46200 Petaling Jaya,
 Selangor Darul Ehsan.

LISTING SOUGHT : ACE Market

SHARIAH STATUS : Approved by Shariah Advisory Council of the SC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 4 July 2024 (“**Approval Letter**”), approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital comprising 402,386,413 Shares on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submit the following information in respect of the moratorium on the shareholdings of the specified shareholders to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares. 	Complied
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the listing proposal.	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon.	To be complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements.	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of KHPT on the first day of listing.	To be complied
6.	In relation to the public offering to be undertaken by KHPT, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and (iv) Disclosure of placees who become substantial shareholders of KHPT arising from the public offering, if any. 	To be complied
	KAF IB to ensure that the overall distribution of KHPT's securities is properly carried out to mitigate any disorderly trading in the secondary market.	Noted
7.	KHPT/KAF IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of KHPT to the Official List of the ACE Market.	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

Bursa Securities had, vide its letter dated 15 August 2024, approved the relief sought by our Company from complying with Rule 3.15(4) of the Listing Requirements. The details of the relief sought are as follows:

Reference	Details of relief granted
Rule 3.15(4) of the Listing Requirements	Relief from complying with the requirements in respect of placement of the IPO Shares under the private placement to selected investors to KAF Investment Funds Berhad, the person connected to the Placement Agent.

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 10 July 2024, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirements for public listed companies. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	KHPT to make available at least 50.00% of the Shares offered to Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied upon Listing
2.	KHPT to allocate 12.50% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by the MITI within one (1) year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or five (5) years after being listed on the ACE Market, whichever is earlier (" Compliance Date ").	To be complied
3.	KHPT to submit to the SC a proposal to comply with the equity condition stated in item 2 above, at least six (6) months prior to the Compliance Date.	To be complied
4.	KAF IB or KHPT to submit KHPT's equity structure to the SC upon completion of the Listing.	To be complied upon Listing

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2. APPROVALS AND CONDITIONS (Cont'd)

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

Category of shareholders	As at the LPD		After the Listing	
	No. of Shares	% of number of issued Shares	No. of Shares	% of enlarged number of issued Shares
Bumiputera				
- Bumiputera public investors via balloting	-	-	*10,059,700	2.50
- Eligible Persons	-	-	*600,000	0.15
Total Bumiputera	-	-	10,659,700	2.65
Non-Bumiputera	293,742,113	100.00	391,345,413	97.26
Total Malaysian	293,742,113	100.00	402,005,113	99.91
Foreigner	-	-	381,300	0.09
TOTAL	293,742,113	100.00	402,386,413	100.00

Note:

* Based on the assumption that the Shares allocated to Bumiputera public investors via balloting and the Shares allocated to eligible Directors who are Bumiputera via Pink Form Allocation shall be fully subscribed.

2.1.3 Shariah Advisory Council of the SC

The Shariah Advisory Council of the SC had on 16 May 2024, classified our Shares as Shariah-compliant securities based on our audited combined financial statement for the FYE 31 December 2023.

2.2 MORATORIUM ON OUR SHARES

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

- (i) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45% of the total number of issued ordinary shares remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and
- (iii) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one third (1/3) per annum (on a straight-line basis) those Shares held under moratorium.

2. APPROVALS AND CONDITIONS (Cont'd)

The details of the Specified Shareholders and their Shares which will be held under moratorium are set out below:

Specified Shareholders	Year 1							
	First 6-Month Moratorium		Second 6-Month Moratorium		Year 2		Year 3	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Datin Eloise	223,827,553	55.62	169,923,834	42.23	113,282,556	28.15	56,641,278	14.08
Ivy See	14,687,102	3.65	11,150,052	2.77	7,433,367	1.85	3,716,683	0.92
	238,514,655	59.27	181,073,886	45.00	120,715,923	30.00	60,357,961	15.00

Notes:

(1) Based on our enlarged issued Shares after our IPO of 402,386,413 Shares.

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

The moratorium restrictions are specially endorsed on the share certificates representing the Shares under moratorium held by Datin Eloise and Ivy See to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

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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 OF OUR IPO

The principal statistics of our IPO is as follows:

Number of new Shares to be issued under the Public Issue	
- <i>Malaysian Public via balloting</i>	20,119,400
- <i>Eligible Persons</i>	10,059,700
- <i>Private placement to selected investors</i>	78,465,200
	108,644,300
Number of Shares to be offered under the Offer for Sale	38,226,600
Enlarged number of Shares after the IPO	402,386,413
IPO Price per Share (RM)	0.20
Market capitalisation (RM) (calculated based on the IPO Price and enlarged issued share capital of 402,386,413 Shares upon Listing)	80,477,283
Gross proceeds from the Public Issue (RM)	21,728,860
Gross proceeds from the Offer for Sale (RM)	7,645,320

Please refer to Section 4.3 of this Prospectus for further details of our IPO.

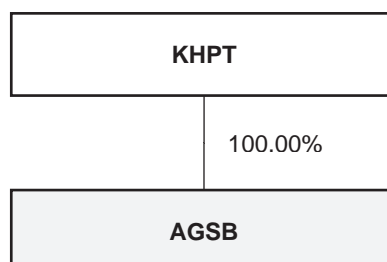
In compliance with Rule 3.19(1) of the Listing Requirements, our Specified Shareholders' entire shareholdings after the IPO will be held under moratorium for 6 months from the date of our Listing. Thereafter, our Specified Shareholders' shareholdings amounting to 59.27% of our total enlarged issued Shares (adjusted for any bonus issue or subdivision of shares) will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one third (1/3) per year (on a straight-line basis) of its Shares held under moratorium upon expiry of the second 6-month period. Please refer to Section 2.2 of this Prospectus for further details of the moratorium on our Shares.

3.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Act on 20 February 2019 as a private limited company under the name of KHPT Holdings Sdn Bhd and was subsequently converted into a public limited company on 1 March 2024 and assumed our present name.

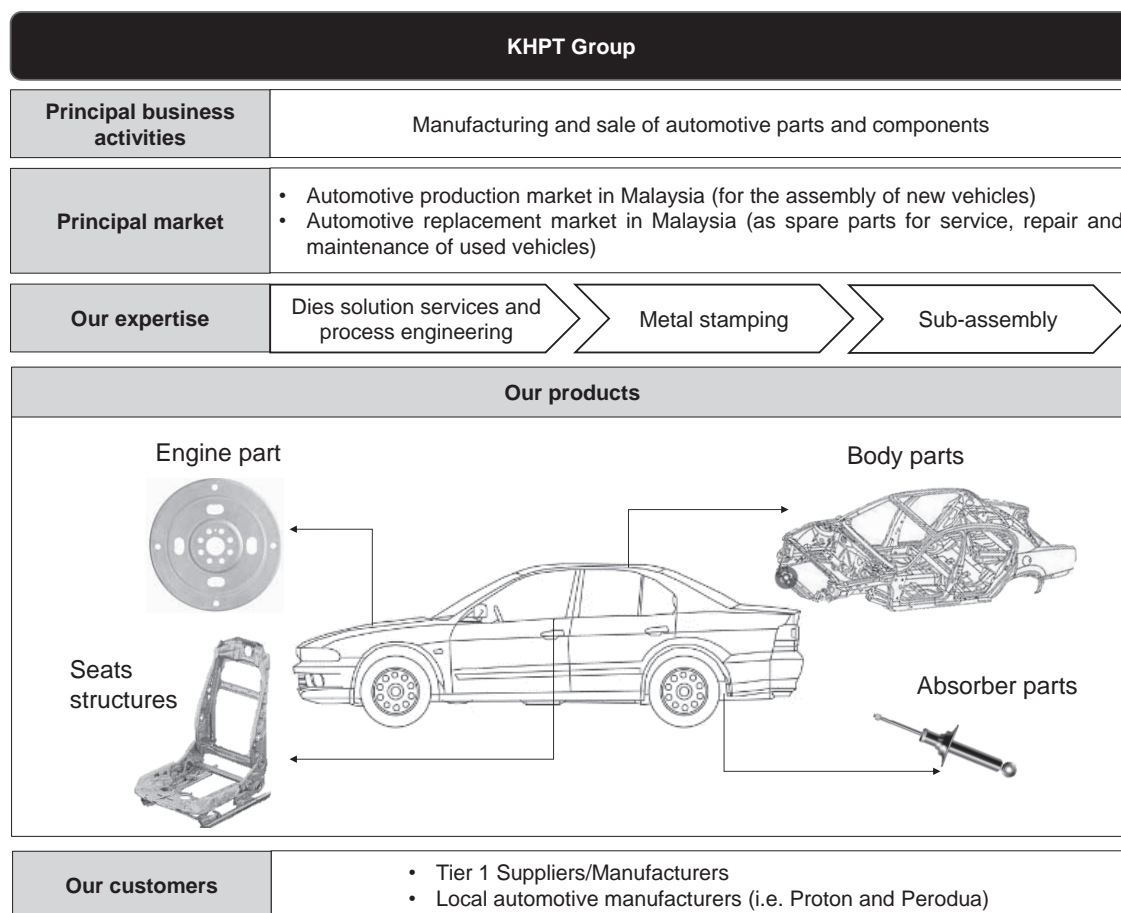
We are an investment holding company. Through our Subsidiary, we are principally involved in manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts).

As at the LPD, our Group structure including our Subsidiary is as follows:



3. PROSPECTUS SUMMARY (Cont'd)

The following is an overview of our Group's business model:



Further details of our principal business activities are set out in Section 7.1.1 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our Group's competitive strengths include the following:

- (i) Our Group's parts and components are mainly used by local automotive manufacturers (i.e. Proton and Perodua) for the assembly of Proton and Perodua cars respectively. Our automotive parts and components are customised and manufactured according to the varied requirements of each vehicle model, and are sold to Proton and Perodua directly, or to their respective Tier 1 Suppliers/Manufacturers. Our Group has been an automotive parts and components supplier to Proton and Perodua vehicles for 29 years and 24 years respectively, including the years in which we supplied parts and components to Proton and Perodua indirectly through their Tier 1 Suppliers/Manufacturers.
- (ii) The growth of our Group is backed by our dies solution and process engineering capabilities. By leveraging on the experience and technical know-how of our key technical personnel, our Group has been able to design and develop optimised manufacturing processes. Further, it is also our competitive edge to have in-house dies solution expertise as we are able to have assurance on the quality of dies and jigs manufactured, as well as respond to any changes in the requirements of dies and jigs following any adjustments to the designs or specifications of the automotive parts and components, in a timely manner.

3. PROSPECTUS SUMMARY (Cont'd)

- (iii) Our customers comprise mainly Tier 1 Suppliers/Manufacturers of local automotive manufacturers. In the Financial Periods Under Review, most of our major customers have purchased automotive parts and components from us for at least 11 years. Our ability to secure recurring sales from our customers is attributed to the quality of our products which meet their stringent quality control measures as well as internationally recognised standards. Further, we have complied with stringent supplier selection processes, which include vendor audits, through tender processes prior to securing our customers and/or securing more orders for new vehicle models, and have been able to accommodate any further assessments required by them such as periodic audits, performance reviews and factory visits.
- (iv) Our Group is led by an experienced and technically skilled key management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Our Group Managing Director, Datin Eloise, who has 21 years of experience in the automotive parts and components manufacturing industry, has played a pivotal role in steering the growth and success of our Group since she took over the management in 2018. Her experience, drive and passion for our business have been instrumental to our Group's success to-date. She is supported by the Key Senior Management, namely Sia Boon Huat, Eng Shu Ling and Oon Pey Yang.

Further details of our competitive strengths are set out in Section 7.7 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our Group's future plans and strategies are summarised as below:

(i) We intend to expand our manufacturing capacity by setting up a new automated body parts production line

The new automated body parts production line will increase our manufacturing capacity for body parts production by 400 pieces per hour, which translates to an annual manufacturing capacity of 2,260,800 pieces. In addition to manufacturing body parts, the new automated body parts production line is also flexible to be utilised to manufacture seat structural parts in the event of insufficient capacity of our seat structural parts production line. Further, the new automated body parts production line will also be installed with automation equipment such as robotic arms, which is expected to reduce manual labour involved from 5 production workers to 2 production workers for each line. We envisage a minimum cost savings of approximately RM0.25 million per annum from the reduced number of workers required to perform the aforementioned processes. In addition, by automating our new body parts production line, we could also achieve consistency in production time as the loading, unloading and transfer of input materials, finished parts and/or WIP pieces will be handled by the automation equipment.

(ii) We will renovate our TPG Factory to accommodate the installation of new machinery and equipment

The setup of a new automated body parts production line involves installation of new machinery and equipment in our TPG Factory and the installation of the automated body parts production line, in particular the installation of press machines, requires a reinforced ground. As such, we intend to renovate a section of our TPG Factory, mainly involving flooring reinforcement and foundation works, to accommodate the installation of these new machinery and equipment as well as to provide a safe workplace for and minimise the risk exposure of our workers.

3. PROSPECTUS SUMMARY (Cont'd)

(iii) We intend to purchase an additional overhead crane to accommodate our expansion in manufacturing capacity

As our business continues to expand with the new automated body parts production line, we will also need to increase the lifting capacity of our overhead cranes to accommodate the increase in manufacturing activities. As such, we plan to purchase an overhead crane with a lifting capacity of approximately 15 tons, to provide us with additional lifting capacity, as well as to lift and transfer heavy dies between the dies storage space and the respective press machines.

Further details of our future plans and strategies are set out in Section 7.12 of this Prospectus.

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance. The following are the key risks and investment considerations that we are currently facing or that may develop in the future:

- (i) We are dependent on our top 4 major customers and any loss of these major customers and our inability to replace these major customers with new customers or with additional orders from existing customers in a timely manner, could result in a loss of revenue and will have an adverse impact on our Group's financial performance.
- (ii) We are dependent on the availability of technical personnel for the design and manufacturing processes of our parts and components. The loss of a substantial number of our Group's technical personnel without suitable and timely replacements may adversely affect our ability to compete and grow in the automotive parts and components manufacturing industry.
- (iii) The primary raw materials used in our manufacturing activities are steel coils and steel cut sheets. Any prolonged shortages and/or delays in the supply of raw materials may affect our business operations.
- (iv) Our business operations are exposed to unexpected interruptions or delays caused by equipment failures, fire, natural disasters and outbreak of infectious diseases, which may be beyond our control. In the event that any of these incidences occurs, it may result in interruptions to our operations and thus adversely affect our business operations and financial performance.
- (v) We may not be able to successfully implement our future plans and business strategies. There can be no assurance that the effort and expenditures spent on the implementation of our business strategies will yield the expected results in growing our business in terms of financial performance and market presence.
- (vi) We are dependent on our Group Managing Director and Key Senior Management team for continued success and growth of our business. The loss of any of our Group Managing Director and Key Senior Management team may have an unfavourable impact on our Group's operations and the future growth of our business.
- (vii) We are dependent on the availability of manual labour to support our manufacturing activities and if we are unable to hire workers to support our business operations due to the continued extensions to the hiring freeze of foreign workers may affect our Group's financial performance and reputation.
- (viii) Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance.

3. PROSPECTUS SUMMARY (Cont'd)

- (ix) We are exposed to credit risks and default payment by customers. In the event of not receiving payment within the credit period or default in payment by our customers, our operating cash flows or financial results of operations may be adversely affected.
- (x) We may not be able to secure funding, especially on terms acceptable to us, to meet our capital requirement. If adequate funding is not available when needed, could have a material and adverse effect on our business, financial condition and results of operations.
- (xi) We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies for our business operations. Any breach or material non-compliance with such regulations may result in the suspension, withdrawal or termination of the relevant licences, permits and approvals, financial penalties or cessation of our operations.
- (xii) We are dependent on the performance of automotive market in Malaysia, specifically the demand for Proton and Perodua vehicles, for our continued success and growth. In the event of any slowdown in the demand for Proton and Perodua vehicles it will adversely affect the demand for our parts and components, which will in turn adversely affect our financial performance.
- (xiii) We face risks arising from political, economic, social and regulatory changes. Unfavourable developments in the socio-political environment in Malaysia could materially and adversely affect our business, financial performance, financial conditions and prospects.
- (xiv) We face competition from other industry players. As such, failure to remain competitive may adversely impact our Group's ability to sustain the sales orders secured from our customers at current or increased levels in the future, which in turn may affect our Group's financial performance.

Please refer to Section 9 of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors are as follows:

Name	Designation
Datuk Noripah Binti Kamso	Independent Non-Executive Chairperson
Datin Eloise	Group Managing Director
Hideki Nomura	Executive Director / Chief Business Development Officer
Datuk Noor Azian Binti Shaari	Independent Non-Executive Director
Dato' Tang Ngat Ngoh	Independent Non-Executive Director
Chan Yan San	Independent Non-Executive Director

Our Key Senior Management is as follows:

Name	Designation
Sia Boon Huat	Business Development Senior Manager
Eng Shu Ling	Finance Controller
Oon Pey Yang	Plant Manager

Please refer to Section 5 of this Prospectus for details on our Directors and Key Senior Management.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

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

	Nationality	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽²⁾ (%)	No. of Shares	⁽²⁾ (%)
<u>Promoter and substantial shareholder</u>									
Datin Eloise	Malaysian	257,024,353	87.50	⁽³⁾ 14,687,102	5.00	223,827,553	55.62	⁽³⁾ 14,687,102	3.65
<u>Substantial Shareholders</u>									
Tiu Kuang Hong ⁽⁴⁾	Malaysian	22,030,658	7.50	-	-	17,000,858	4.23	-	-
Ivy See	Malaysian	14,687,102	5.00	⁽⁵⁾ 257,024,353	87.50	14,687,102	3.65	⁽⁵⁾ 223,827,553	55.62

Notes:

- (1) Based on our issued share capital before our IPO of 293,742,113 Shares following the Acquisition, details of which are set out in Section 6.5 (ii) of this Prospectus.
- (2) Based on our enlarged issued share capital after our IPO of 402,386,413 Shares.
- (3) Deemed interest by virtue of the shareholdings of her sister, being Ivy See, pursuant to Section 8 of the Act.
- (4) After the Offer for Sale, he will cease to be our substantial shareholder.
- (5) Deemed interest by virtue of the shareholdings of her sister, being Datin Eloise, pursuant to Section 8 of the Act.

Further details on our Promoter and substantial shareholders are disclosed in Section 5.1.3 of this Prospectus.

3.8 UTILISATION OF PROCEEDS

Based on the IPO Price, the gross proceeds from the Public Issue amounting to RM21.73 million are intended to be used in the following manner:

Purposes	Estimated timeframe for use from the date of our Listing	RM'000	%
Capital expenditure:			
- Purchase of press machines	Within 24 months	11,046	50.83
- Purchase of automation equipment	Within 24 months	4,500	20.71
- Renovation of TPG Factory	Within 24 months	452	2.08
- Purchase of one overhead crane	Within 24 months	368	1.70
Working Capital	Within 12 months	705	3.24
Estimated listing expenses	Within 1 months	4,658	21.44
		21,729	100.00

The gross proceeds arising from the Offer for Sale of RM7.65 million will accrue entirely to the Selling Shareholders. Further details on the utilisation of proceeds are set out in Section 4.7 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)**3.9 FINANCIAL HIGHLIGHTS****3.9.1 Combined statements of profit or loss and other comprehensive income**

The summary of our combined statements of profit or loss and other comprehensive income for the Financial Periods Under Review is as follows:

	Audited			Unaudited	Audited
	FYE 2021	FYE 2022	FYE 2023	FPE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	58,965	116,246	114,082	50,888	52,323
GP	4,742	17,136	14,143	5,789	6,299
PBT	316	11,336	⁽¹⁾ 8,413	3,777	3,548
PAT	153	8,798	⁽¹⁾ 5,533	2,457	2,304
GP margin (%) ⁽²⁾	8.04	14.74	12.40	11.38	12.04
PBT margin (%) ⁽³⁾	0.54	9.75	7.37	7.42	6.78
PAT margin (%) ⁽⁴⁾	0.26	7.57	4.85	4.83	4.40
Basic/Diluted EPS (sen) ⁽⁵⁾	0.04	2.19	1.38	0.61	0.58

Notes:

- (1) *Included in other expenses is an one-off impairment loss on the non-current asset held for sale of RM1.03 million, incurred in FYE 2023 for Lot 2625 to its disposal consideration. Please refer to Note 1 to the combined statements of financial position in Section 12.1.2 of this Prospectus for further details.*
- (2) *Calculated based on GP over revenue*
- (3) *Calculated based on PBT over revenue.*
- (4) *Calculated based on PAT over revenue.*
- (5) *Basic and diluted EPS are calculated based on PAT for the Financial Periods Under Review over our enlarged 402,386,413 Shares in issue after our IPO. There are no potential dilutive securities in issue during the respective Financial Periods Under Review.*

There were no exceptional or extraordinary items during the Financial Periods Under Review. Our audited combined financial statement for the Financial Periods Under Review were not subject to any audit qualifications.

Please refer to Sections 12 and 13 of this Prospectus for further details of our financial information.

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3. PROSPECTUS SUMMARY (Cont'd)**3.9.2 Combined statement of financial position**

The following table sets out our Group's historical combined statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024:

	Audited			
	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	25,590	19,545	22,991	23,204
Investment property	-	(1)4,812	-	-
Total non-current assets	25,590	24,357	22,991	23,204
Current assets				
Inventories	4,840	3,760	3,817	2,960
Trade receivables	11,733	18,206	12,680	12,194
Other receivables, deposits and prepayments	599	352	3,078	3,518
Amount owing by related parties	22	30	-	-
Current tax assets	902	-	-	542
Fixed deposit with licensed banks	-	2,000	6,304	7,308
Cash and bank balances	4,591	8,088	6,080	6,818
Total current assets	22,687	32,436	31,959	33,340
Non-current asset held for sale	-	-	(1)3,780	-
Total assets	48,277	56,793	58,730	56,544
Equity				
Share capital	250	250	250	31,724
Retained profits	23,045	27,843	32,376	34,681
Merger deficits	-	-	-	(31,474)
Total equity	23,295	28,093	32,626	34,931
Non-current liabilities				
Lease liabilities	197	122	42	32
Term loans	3,209	1,908	651	235
Deferred tax liabilities	1,089	1,159	948	1,362
Total non-current liabilities	4,495	3,189	1,641	1,629
Current liabilities				
Trade payables	10,628	15,011	12,725	11,028
Other payables and accruals	2,101	3,782	5,473	3,586
Amount owing to directors	1	-	-	-
Bankers' acceptances	5,050	5,000	4,900	4,300
Lease liabilities	114	72	19	19
Term loans	1,276	1,231	1,257	1,051
Bank overdrafts	1,317	-	-	-
Current tax liabilities	-	415	89	-
Total current liabilities	20,487	25,511	24,463	19,984
Total liabilities	24,982	28,700	26,104	21,613
Total equity and liabilities	48,277	56,793	58,730	56,544

Please refer to Sections 12 and 13 of this Prospectus for our detailed financial information.

3. PROSPECTUS SUMMARY (Cont'd)**3.10 OPERATIONAL HIGHLIGHTS**

The breakdown of our Group's revenue by product for the Financial Periods Under Review is as follows:

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Automotive parts and components ⁽¹⁾ :						
• Body parts	36,949	62.66	74,218	63.85	63,661	55.80
• Seats structures	18,367	31.15	37,465	32.23	45,104	39.54
• Other parts ⁽²⁾	3,649	6.19	4,563	3.92	3,785	3.32
Dies solution services ⁽³⁾	-	-	-	-	1,532	1.34
	58,965	100.00	116,246	100.00	114,082	100.00

	Unaudited		Audited	
	FPE 2023		FPE 2024	
	RM'000	%	RM'000	%
Automotive parts and components ⁽¹⁾ :				
• Body parts	27,654	54.34	29,584	56.54
• Seat structures	20,974	41.22	21,217	40.55
• Other parts ⁽²⁾	2,260	4.44	1,522	2.91
Dies solution services ⁽³⁾	-	-	-	-
	50,888	100.00	52,323	100.00

Notes:

- (1) The revenue contribution from the sale of automotive parts and components includes the revenue contribution from the sale of steel scrap. The sale of steel scrap is a residual income from the waste generated during the manufacturing of automotive parts and components which are the core products. The total sale of steel scrap in the Financial Periods Under Review was RM3.62 million, RM7.48 million, RM7.70 million and RM3.36 million respectively, accounting for 6.13%, 6.43%, 6.75% and 6.42% of the total revenue, respectively.

The steel scrap will be sold only to the contracted licensed scrap recycling/collecting companies ("**Steel Scrap Collectors**") based on the weight of the steel scrap at the price determined by the Steel Scrap Collectors in accordance with the current market trend of steel price on the disposal date. The sale of steel scrap is recurring in nature, which is incidental to the manufacturing of automotive parts and components. The sale of steel scrap will be recognised upon collection of the steel scrap by the Steel Scrap Collectors.

- (2) Other parts mainly comprise engine parts and absorber parts. It also includes other parts such as air leaf springs for trucks, however, contribution from the sale of these other parts were minimal in the Financial Periods Under Review.
- (3) There was no revenue generated by dies solution services in the FYE 2021 and FYE 2022. This was due to the on-going manufacturing process of dies and jigs, where the dies and jigs were not completed in FYE 2021 and FYE 2022, resulting in the revenue not being recognised in the respective years. Manufacturing process of dies and jigs involves design, prototyping and testing, where the dies and jigs are customised according to detailed specifications, prior to production and commissioning of the said dies and jigs. Hence, these factors contributed to the extended period required for revenue recognition. In FYE 2023, the aforementioned dies and jigs were completed and as such the revenue for the manufacturing of these dies and jigs was recognised, contributing to a 1.34% of our Group's total revenue for FYE 2023. There was no revenue generated by dies solution services in FPE 2023 and FPE 2024.

Please refer to Sections 12.3.2 of this Prospectus for the review of our results of operations.

3. PROSPECTUS SUMMARY (Cont'd)**3.11 DIVIDEND POLICY**

We target a payout ratio of up to 10% of our profit attributable to the owners of our Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Group. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, license conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements, or any plans approved by our Board.

For the Financial Periods Under Review, our Subsidiary had declared the following dividends to their respective shareholders:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FPE 2024
	RM'000	RM'000	RM'000	RM'000
Dividend declared and paid	-	(1)4,000	(2)1,000	-

Notes:

(1) *RM0.40 million was paid on 5 January 2022 and RM3.60 million was paid on 29 December 2022.*

(2) *RM1.00 million was paid on 29 December 2023.*

As at the LPD, there is no outstanding dividends declared but remained unpaid. Subsequent to LPD, no dividend was declared, made or paid by our Group prior to the completion of the Listing.

Further details on our dividend policy are disclosed in Section 12.17 of this Prospectus.

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4. PARTICULARS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on 19 September 2024 and will remain open until 5.00 p.m. on 25 September 2024. **Late applications will not be accepted.**

4.2 INDICATIVE TIMETABLE

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

Events	Indicative Dates
Opening of Application	19 September 2024
Closing of Application	25 September 2024
Balloting of Applications	27 September 2024
Allotment of IPO Shares to successful Applicants	4 October 2024
Listing on the ACE Market	8 October 2024

In the event where there is any change to the indicative timetable above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and will make the relevant announcements through 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.

4.3.1 Public Issue

Our Public Issue of 108,644,300 Issue Shares representing approximately 27.00% of our enlarged issued share capital, at the IPO Price will be made available in the following manner:

(i) Malaysian Public via Balloting

20,119,400 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 strictly 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

10,059,700 Issue Shares representing approximately 2.50% of our enlarged issued share capital will be made available for application by our Eligible Persons in recognition of their efforts and supports to our Group.

4. PARTICULARS OF OUR IPO (Cont'd)

A total of 55 persons are eligible for the Pink Form Allocation, comprising the following:

Category	Number of Eligible Persons	Aggregate number of Pink Form Shares allocated
Eligible Directors ⁽¹⁾	5	1,331,300
Eligible employees of our Group ⁽²⁾	50	8,728,400
Total	55	10,059,700

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.

Notes:

- (1) *The criteria for allocation to our eligible Directors are based on their respective roles and responsibilities as well as their anticipated contribution to our Group. The proposed allocation was further discussed with the respective directors on their intended subscription level. The number of Pink Form Shares to be allocated to our eligible Directors are as follows:*

Eligible Directors	Designation	Aggregate No. of Pink Form Shares
Hideki Nomura	Executive Director	381,300
Datuk Noripah Binti Kamso	Independent Non-Executive Chairperson	300,000
Datuk Noor Azian Binti Shaari	Independent Non-Executive Director	300,000
Dato' Tang Ngat Ngoh	Independent Non-Executive Director	300,000
Chan Yan San	Independent Non-Executive Director	50,000
		1,331,300

- (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 employees of at least 18 years of age and on the payroll of our Group; and*
- (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.*

The proposed allocation was finalised with the respective eligible employees regarding their intended subscription level and any excess from allocations not fully intended to be taken up has been re-allocated to other eligible employees.

4. PARTICULARS OF OUR IPO (Cont'd)

(iii) Private Placement to selected investors

78,465,200 Issue Shares representing approximately 19.50% of our enlarged issued share capital will be made available by way of private placement to selected investors.

The Issue Shares will, upon allotment and issue, rank equally in all respects with the 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 the Issue Shares.

Upon completion of the Public Issue, our Group issued share capital will increase from 293,742,113 Shares to 402,386,413 Shares.

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4. PARTICULARS OF OUR IPO (Cont'd)

4.3.2 Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 38,226,600 Offer Shares, representing approximately 9.50% of our enlarged issued share capital, will be made available by way of private placement to selected investors at the IPO Price.

Details of our Selling Shareholders are as follows:

Selling Shareholders	Address	Position / Relationship with the Group for the past 3 years	Shareholdings before IPO and after completion of the Acquisition		Offer for Sale			Shareholdings after IPO	
			No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽²⁾	No. of Shares	% ⁽²⁾
Datin Eloise ⁽³⁾	No. 8, Lorong Batu Nilam 9D, Bandar Bukit Tinggi, 41200 Klang, Selangor	Promoter, substantial shareholder and Group Managing Director	257,024,353	87.50	33,196,800	11.30	8.25	223,827,553	55.62
Tiu Kuang Hong ⁽⁴⁾	No. 30, Jalan Kiara 9/KS6, Bandar Botanic, 41200 Klang, Selangor	Substantial shareholder and Technical Director of AGSB	22,030,658	7.50	5,029,800	1.71	1.25	17,000,858	4.23

Notes:

- (1) Based on our issued share capital of 293,742,113 Shares after the completion of the Acquisition and as at the LPD.
- (2) Based on our enlarged issued share capital of 402,386,413 Shares after our IPO.
- (3) Datin Eloise is the controlling shareholder and a Specified Shareholder.
- (4) Tiu Kuang Hong is not a controlling shareholder. After the Offer for Sale, he will cease to be our substantial shareholder.

The Offer for Sale is expected to raise gross proceeds of approximately RM7.65 million which will accrue entirely to the Selling Shareholders and we will not receive any of the proceeds. The Selling Shareholders shall bear all expenses such as stamp duty, placement fees, registration and share transfer fee relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.24 million.

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

Further details of our Selling Shareholders, who are also our Promoter and/or substantial shareholders, are set out in Section 5.1.3 of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)**4.3.3 Allocation of the IPO Shares and Underwriting Arrangement**

In summary, our IPO Shares will be allocated in the following manner:

	Public Issue		Offer for Sale		Total	
	No. of Shares	*%	No. of Shares	*%	No. of Shares	*%
Malaysian Public (via balloting):						
- Bumiputera	10,059,700	2.50	-	-	10,059,700	2.50
- Non-Bumiputera	10,059,700	2.50	-	-	10,059,700	2.50
Eligible Persons	10,059,700	2.50	-	-	10,059,700	2.50
Private placement to selected investors	78,465,200	19.50	38,226,600	9.50	116,691,800	29.00
	108,644,300	27.00	38,226,600	9.50	146,870,900	36.50

Note:

* Based on the enlarged issued share capital of 402,386,413 Shares after the IPO.

20,119,400 Issue Shares made available to the Malaysian Public have been fully underwritten. In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board whilst in the event the Issue Shares are not subscribed for in full, these Shares will be made available for application by way of private placement to selected investors. Any remaining Issue Shares thereafter will be subscribed by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

10,059,700 Issue Shares made available to the Eligible Persons have been fully underwritten. Any Shares reserved under the Pink Form Allocation which are not taken up will be made available firstly, for subscription by other Eligible Persons, secondly, for application by the Malaysian Public via balloting and/or selected investors via private placement and finally, by our underwriter pursuant to the terms of the Underwriting Agreement.

78,465,200 Issue Shares and 38,226,600 Offer Shares made available to selected investors through private placement are not underwritten. Irrevocable undertakings have been or will be obtained from the selected investors who subscribe for the IPO Shares by way of private placement. Any unsubscribed IPO Shares under this allocation will be made available for application by the Malaysian Public.

The IPO Shares will be allocated on a fair and equitable manner and the basis of allocation for the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants to broaden our shareholding base and to establish a liquid market for our Shares. The identified investors for the IPO Shares under the private placement will be selected in such manner as may be determined by the Placement Agent, in consultation with our Board, has the absolute discretion to decide whether to accept or reject any placement application.

There is no minimum subscription amount to be raised from our IPO. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing. If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.2 of this Prospectus for details in the event our Listing is delayed or aborted.

4. PARTICULARS OF OUR IPO (Cont'd)

As at the LPD, to the extent known to our Company, none of our Directors, substantial shareholders or key senior management has indicated to us that they intent to subscribe for our IPO Shares beyond their respective entitlements under the Pink Form Allocation and there are no person(s) who have indicated to us that they intend to subscribe for more than 5.00% of our IPO Shares.

4.4 BASIS OF ARRIVING AT THE IPO PRICE

Our IPO Price was determined and agreed upon by us and our Principal Adviser after taking into consideration the following factors:

- (a) our pro forma NA per share attributable to the owners of the Company of RM0.13 as at 30 June 2024 based on the enlarged issued share capital of 402,386,413 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 4.7 of this Prospectus;
- (b) our Group's EPS of 1.38 sen for the FYE 2023 computed based on our audited PAT for FYE 2023 of approximately RM5.53 million and our enlarged share capital of 402,386,413 Shares upon Listing, which translate into PE Multiple of 14.54 times, based on the IPO Price;

The adjusted PAT for the FYE 2023 after excluding the one-off impairment loss on the non-current asset held for sale of RM1.03 million would be RM6.56 million. This would translate into an adjusted EPS of 1.63 sen and a PE Multiple of approximately 12.26 times, based on the IPO Price;

- (c) our competitive strengths as set out in Section 7.7 of this Prospectus;
- (d) our future plans and strategies as set out in Section 7.12 of this Prospectus; and
- (e) the industry overview and outlook based on the IMR Report as set out in Section 8 of this Prospectus.

Prospective investors should also note that the market price of our Shares upon Listing is subject to uncertainties of market forces and other factors which may affect the price of our Shares being traded. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. Prospective investors are also reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4.5 SHARE CAPITAL AND RANKING OF THE SHARES

4.5.1 Share capital

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

	<u>No. of Shares</u>	<u>(RM)</u>
Issued share capital		
As at the date of this Prospectus	293,742,113	31,724,150
To be issued pursuant to the Public Issue	108,644,300	21,728,860
Enlarged issued share capital upon Listing	402,386,413	53,453,010

4. PARTICULARS OF OUR IPO (Cont'd)

4.5.2 Classes and ranking of our Shares

We only have 1 class of shares, being ordinary shares, all of which rank equally with each other. The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares. The Offer Shares shall rank equally in all respects with the existing Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares to the successful applicants.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us in the form of dividends and other distributions and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the shareholders in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, or by proxy, or by attorney or by his/its representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney ("**Representative**"). On a vote by show of hands, each shareholder present (either in person, or by proxy, or by Representative) shall have 1 vote. On a vote by way of poll, each shareholder present (either in person, or by proxy, or Representative) shall have 1 vote for each Share held or represented. A proxy may but need not be a shareholder of our Company and there shall be no restriction as to the qualification of the proxy save that the proxy must be of full age.

4.6 DILUTION

Dilution is the amount by which the IPO Price to be paid by the applicants for our IPO Shares will be diluted upon our Listing based on the proforma NA per Share after the IPO. The following table illustrates such dilution to the new investors for the IPO Shares on a per Share basis as well as the accretion in value to the existing shareholders of the Company after the IPO:

	<u>Details</u>	<u>RM</u>
IPO Price	(A)	0.20
Audited NA per Share as at 30 June 2024 after the Acquisition and before adjusting for our IPO	(B)	0.12
Pro forma NA per Share as at 30 June 2024 after our IPO and the utilisation of Public Issue proceeds	(C)	0.13
Increase in pro forma NA per Share attributable to our existing shareholders	(C-B)	0.01
Dilution to our new investors	(A-C)	0.07
Dilution to our new investors as a percentage of the IPO Price	(A-C) / (A)	35%

Further details of our pro forma NA per Share as at 30 June 2024 is set out in Section 12.18 of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

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

	No. of Shares held before IPO	Total consideration (RM)	Average Effective cost per Share (RM)
<u>Promoter and substantial shareholder</u>			
Datin Eloise	*257,024,353	27,758,631	0.108
<u>Substantial shareholders</u>			
Tiu Kuang Hong	*22,030,658	2,379,312	0.108
Ivy See	14,687,102	1,586,207	0.108

Note:

* Included 1 Share issued at RM1.00 as at the date of the incorporation of the Company.

Save as disclosed above and apart from the Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Promoter, substantial shareholder, Directors and/or Key Senior Management or persons connected with them, or any transaction entered into by them, which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus.

4.7 UTILISATION OF PROCEEDS

Based on the IPO Price, the gross proceeds from the Public Issue amounting to RM21.73 million are intended to be used in the following manner:

Purposes	Estimated time frame for use (from the Listing date)	(RM'000)	(%)
Capital expenditure:			
- Purchase of press machines	Within 24 months	11,046	50.83
- Purchase of automation equipment	Within 24 months	4,500	20.71
- Renovation of TPG Factory	Within 24 months	452	2.08
- Purchase of one overhead crane	Within 24 months	368	1.70
Working capital	Within 12 months	705	3.24
Estimated listing expenses	Within 1 month	4,658	21.44
		21,729	100.00

Details of the utilisation of Public Issue proceeds are as set out below:

(i) Purchase of press machines

Our Group manufacturing activities comprised the blanking line, body parts production line, seat structural parts production line and absorber parts production line. Notably, our Group's utilisation rate for the body parts production line and seat structural parts production line were at 84.19% and 94.85% respectively in FYE 2023; and 78.94% and 92.52% respectively for FPE 2024. Our Group plans to expand our manufacturing capacity to meet the anticipated increase in demand from our customers, premised on the rolling forecast provided to our Group as well as discussions with our customers. As such, our Group intends to purchase 4 press machines to set up a new body parts production line.

The said new production line will increase our Group's manufacturing capacity for body parts production by 400 pieces per hour, which translates to an annual manufacturing capacity of approximately 2,620,800 pieces. This will increase our Group's annual manufacturing capacity for body parts production by approximately 83.33% from 3,144,960 pieces to 5,765,760 pieces.

4. PARTICULARS OF OUR IPO (Cont'd)

Furthermore, the new body parts production line is expected to provide flexibility to our Group, as it can be utilised to manufacture seat structure parts products. Such flexibility enables our Group to utilise the said new production line interchangeably if there are additional orders received for the seat structure parts products. The anticipated increase in our Group's manufacturing capacity with the setup of the new body parts production line will allow us to accept more orders from our customers, which will in turn contribute to our Group's overall financial performance and continue to fuel our Group's business growth in the future.

As at the LPD, our TPG Factory has available space of approximately 1,087.20 sq m to cater for the expansion of the new body parts production line. The said new production line will be located next to our existing blanking production line with an estimated built-up area of 675.00 sq m where approximately 272.52 sq m will be allocated to house the new press machines and approximately 402.48 sq m will be allocated for storage of dies, raw materials and finished goods. Our Group intends to renovate the said location to accommodate the new body parts production line, details of which are outlined in Section 4.7 (iii) of this Prospectus.

All 4 press machines are based on quotation obtained in USD from an overseas supplier. The estimated cost of RM11.05 million for the purchase of press machines will be fully funded by the gross proceeds from the Public Issue. For clarity, the final quotation for the purchase of press machines can only be finalised after our IPO.

Any excess proceeds allocated to our purchase of press machines will be used for working capital purposes. Conversely, any shortfall thereof will be funded from working capital. In the event there is still a shortfall, the remaining shortfall shall be funded by our internally generated funds.

(ii) Purchase of automation equipment

As at the LPD, our Group has 4 body parts production lines which are all manually operated by our production workers. In line with our Group's plan to improve our manufacturing efficiency, our Group intends to purchase and install the automation equipment into the new body parts production line.

The new body parts production line will be installed with automation equipment such as robotic arms. The said purchase and installation of automation equipment will reduce reliance on the manual production workers mainly in terms of de-stacking and loading steel coil or steel cut sheets into the press machines, transfer of WIP pieces from press-to-press as well as unload the completed parts through the conveyor belt to the designated area in the TPG Factory for inspection, packing and delivery.

Our Group expects the number of workers required for the manufacturing process will reduce from 5 production workers to 2 production workers per production line per shift. Our Group envisage a minimum cost savings of approximately RM0.25 million per annum from the reduced number of workers required to perform the aforementioned processes. In addition, it could also achieve consistency in automotive parts and components manufactured by our Group as the loading, unloading and transfer of input materials, finished parts and/or WIP pieces will be handled by the automated equipment.

4. PARTICULARS OF OUR IPO (Cont'd)

Our Group has earmarked RM4.50 million of the gross proceeds from the Public Issue to fully fund the purchase of automation equipment. The details of the automation equipment that our Group intends to purchase are as follows:

Description	No. of units	(1)Estimated cost (RM'000)
Robotic arms and accessories ⁽²⁾	7	2,950
Safety and operating system	1	700
Engineering services ⁽³⁾	Not applicable	850
		4,500

Notes:

- (1) *Based on quotation obtained from supplier.*
- (2) *Comprises 1 unit of robotic arm for de-stacking, 1 unit of robotic arm for loading of blanked pieces to the first press machine, 3 units of robotic arms for transfer of WIP pieces between press machines, and 1 unit of robotic arm together with 1 unit of conveyor belt for unloading of finished parts from the last press machine to the designated area.*
- (3) *Services provided by the supplier comprising system design, system test-run, operation training, on-site installation, commissioning and standby.*

Any excess proceeds allocated to our purchase of automation equipment will be used for working capital purposes. Conversely, any shortfall thereof will be funded from working capital. In the event there is still a shortfall, the remaining shortfall shall be funded by our internally generated funds.

(iii) Renovation of TPG Factory

As at the LPD, our Group operates solely from TPG Factory with a total built-up area of approximately 9,823.98 sq m including a double-storey office (built-up area: 543.19 sq m) which house our office workers to perform operational and administrative tasks as well as a single-story factory (built-up area: 8,550.00 sq m) which is used for our Group's automotive parts and components manufacturing activities.

As part of the business expansion, our group intends to expand its manufacturing capacity by adding an additional body parts production line equipped with automation equipment. The installation of a complete press production line required a solid ground to install the press machines in order to provide a safe workplace for and minimise the risk exposure of our workers who are discharging their works.

As such, our Group intends to renovate a section of the TPG Factory. The renovation works comprise mainly the flooring and foundation works which is mainly to provide a stable foundation for installing the press machines. Our Group intends to allocate RM0.45 million of the gross proceeds from the Public Issue to fully fund the renovation of TPG Factory.

Any excess proceeds allocated to the renovation of TPG Factory will be used for working capital purposes. Conversely, any shortfall thereof will be funded from working capital. In the event there is still a shortfall, the remaining shortfall shall be funded by our internally generated funds.

4. PARTICULARS OF OUR IPO (Cont'd)**(iv) Purchase of one overhead crane**

Our Group utilises dies in our manufacturing of metal stamped parts. Overhead cranes are used by our Group to transfer dies between the dies storage space and the respective press machine. As at the LPD, our Group has installed 2 overhead cranes in TPG Factory with each overhead crane having a maximum lifting capacity of 10 tons.

As part of our Group's business expansion plans, our Group intends to purchase an overhead crane which is capable to carry dies with lifting capacity of 15 tons. The said overhead crane will be utilised to transfer dies for existing blanking line and the new body parts production lines as well as serving as a backup overhead crane in the event of breakdowns of the other existing overhead cranes.

Our Group will allocate RM0.37 million of the gross proceeds from the Public Issue to fully fund the purchase of overhead crane. Any excess proceeds allocated to our purchase of overhead crane will be used for working capital purposes. Conversely, any shortfall thereof will be funded from working capital. In the event there is still a shortfall, the remaining shortfall shall be funded by our internally generated funds.

(v) Working capital

Our Group has allocated RM0.70 million of the gross proceeds from the Public Issue for the working capital requirements of our Group, which are the general administrative and daily operational expenses such as electricity, upkeep of machinery / equipment and maintenance costs. The breakdown of each expenses cannot be determined at this juncture as it depends on working capital requirements at the relevant point of time.

(vi) Estimated listing expenses

The estimated expenses and fees incidental to our Listing amounting to approximately RM4.66 million shall be borne by our Group, the details of which are as follows:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	3,344
Underwriting, placement and brokerage fees	769
Fees to authorities	66
Other miscellaneous expenses and contingencies ⁽²⁾	479
	4,658

Notes:

- (1) *Includes fees for the Principal Adviser, Reporting Accountants, Legal Advisers, IMR, Issuing House and other professional advisers.*
- (2) *Includes any other incidental charges or related expenses in relation to our IPO such as fees paid to translator, investor relations consultant, printing expenses, media related expenses, IPO event expenses and sales and service tax.*

If the actual listing expenses are higher than budgeted, the shortfall will be funded from the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

For the avoidance of doubt, in the event of any material variation to the manner of utilisation of proceeds, we will ensure our compliance with Rule 8.24 of the Listing Requirements.

Based on the IPO Price, the entire gross proceeds of approximately RM7.65 million to be raised from the Offer for Sale will accrue entirely to our Selling Shareholders and not to be borne by our Company. All expenses relating to the Offer for Sale will be borne by our Selling Shareholders, the aggregate of which is estimated to be approximately RM0.24 million.

4. PARTICULARS OF OUR IPO (Cont'd)

4.8 UNDERWRITING COMMISSION, BROKERAGE FEE AND PLACEMENT FEE**(i) Underwriting commission**

KAF, as our sole Underwriter, has agreed to underwrite 30,179,100 Issue Shares made available for application by the Malaysian Public and the Eligible Persons under the Pink Form Allocation. We are obligated to pay our Underwriter an underwriting commission at the rate of 3.00% of the total value of the Issue Shares underwritten at the IPO Price.

(ii) Brokerage fee

We will bear the brokerage fees in respect of the 20,119,400 Issue Shares made available for Application by the Malaysian Public at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

(iii) Placement fee

KAF, as our Placement Agent, has agreed to place out 78,465,200 Issue Shares and 38,226,600 Offer Shares to selected investors by way of private placement.

We will bear the placement fee of up to 3.00% of the total value of the Issue Shares placed out via the private placement.

The Selling Shareholders will bear the placement of up to 3.00% of the total value of the Offer Shares placed out via the private placement.

4.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following salient terms are reproduced from the Underwriting Agreement including terms which allow our Underwriter to withdraw from the underwriting obligation after the opening of our IPO. The capitalised terms and numbering references used herein shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

- (i) The underwriting obligations of the Underwriter are subject to certain conditions precedent which must be fulfilled or waived on or before the Closing Date as stated in this Prospectus or such later date as may be mutually agreed in writing by the Company and the Sole Underwriter ("**Extended Closing Date**").
- (ii) The Underwriter may by notice in writing given to the Company at any time before the Closing Date or the Extended Closing Date, terminate, cancel or withdraw its commitment to underwrite the 30,179,100 IPO Shares if:
 - (a) any of the approvals from SC and/or Bursa Securities for the Listing is revoked or withdrawn; or
 - (b) there is any breach by the Company of any of the representations, warranties or undertakings set out in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Underwriter within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach or by the Closing Date or Extended Closing Date, whichever is earlier; or

4. PARTICULARS OF OUR IPO (Cont'd)

- (c) there is withholding of information by the Company which is required to be disclosed to the Underwriter pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated in a notice to be made by the Underwriter to the Company of such breach, 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 IPO, or the distribution or sale of the Public Issue Shares; or
 - (d) there shall have occurred, happened or come into effect any material and adverse change to the business or financial conditions of the Company or the Group; or
 - (e) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Underwriter and 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 Company, the success of the IPO, or the distribution or sale of the IPO 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
 - (f) there is a failure on the part of the Company to perform any of its obligations herein contained; or
 - (g) any of the conditions precedent set out in the Underwriting Agreement are not duly satisfied by the Closing Date or Extended Closing Date.
- (iii) Upon such notice(s) being given, the Underwriter shall be released and discharged of its obligations under the Underwriting Agreement without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and neither the Company nor the Underwriter shall be under any liability to each other in respect of the Underwriting Agreement, except that the Company shall remain obligated and liable in respect of the underwriting commission, any antecedent breaches and for the payment of the costs and expenses already incurred up to the date of termination or in connection with such termination and for the payment of any taxes, duties or levies within 7 days from the date of the same being due.
- (iv) It will be an event of force majeure if the Underwriter is unable to perform its obligations stipulated under the Underwriting Agreement resulting from any event or series of events beyond the reasonable control of the Underwriter ("**Force Majeure**"), including without limitation any of the following:
- (a) acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, any unavailability of transportation or severe economic dislocation, earthquake, typhoon, outbreak of war, outbreak of disease, acts of terrorism or the declaration of a state of national emergency;
 - (b) 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 which is likely to have a material adverse effect on the stock market in Malaysia. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Underwriting Agreement; and

4. PARTICULARS OF OUR IPO (Cont'd)

(bb) prior to the Closing Date or Extended Closing Date,

lower than 85.00% of the Index level at the close of normal trading on the Market Day immediately prior to the date of the Underwriting Agreement and remain at or below that level for 3 or more consecutive Market Days, it shall be deemed a material adverse change in the stock market condition in Malaysia;

- (c) any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Underwriter or any event or series of events beyond the reasonable control of the Underwriter; or
- (d) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for 1 or more consecutive Market Days;

which 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 Company or the Group, the success of the IPO, or the distribution or sale of the Public 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.

- (v) In the event of a Force Majeure, the Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date or Extended Closing date:
 - (a) terminate the Underwriting Agreement by giving a notice in writing to the Company; or
 - (b) request for the Closing Date or Extended Closing Date to be extended to such reasonable date as the Underwriter may decide.
- (vi) Upon delivery of the written notice of termination pursuant to a Force Majeure, the Underwriting Agreement will terminate and each of the Company's and Underwriter's rights and obligations will cease and neither the Company nor the Underwriter will have any claim against each other save and except for any antecedent breach, claims in respect of the costs and expenses of the Underwriter and the underwriting commission.

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

5.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of Promoter and substantial shareholders

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

	Nationality	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽²⁾ (%)	No. of Shares	⁽²⁾ (%)
Promoter and substantial shareholder									
Datin Eloise	Malaysian	257,024,353	87.50	⁽³⁾ 14,687,102	5.00	223,827,553	55.62	⁽³⁾ 14,687,102	3.65
Substantial shareholders									
Tiu Kuang Hong ⁽⁴⁾	Malaysian	22,030,658	7.50	-	-	17,000,858	4.23	-	-
Ivy See	Malaysian	14,687,102	5.00	⁽⁵⁾ 257,024,353	87.50	14,687,102	3.65	⁽⁵⁾ 223,827,553	55.62

Notes:

- (1) Based on our issued share capital before our IPO of 293,742,113 Shares following the Acquisition, details of which are set out in Section 6.5 (ii) of this Prospectus.
- (2) Based on our enlarged issued share capital after our IPO of 402,386,413 Shares.
- (3) Deemed interest by virtue of the shareholdings of her sister, being Ivy See, pursuant to Section 8 of the Act.
- (4) After the Offer for Sale, he will cease to be our substantial shareholder.
- (5) Deemed interest by virtue of the shareholdings of her sister, being Datin Eloise, pursuant to Section 8 of the Act.

The Shares held by our Promoter and substantial shareholders have the same voting rights from as other shareholders of our Company. Save for the above, there are no other persons who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

As at the LPD, there is no arrangement between our Company and the Promoter and our substantial shareholders with any third party which may result in a change in control of our Company at a date subsequent to our IPO and our Listing.

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

5.1.2 Changes in Promoter's and substantial shareholders' shareholdings

Save as disclosed below, there have been no other changes in the shareholdings of our Promoter and substantial shareholders in our Company for the Financial Periods Under Review up to the LPD:

Promoter and substantial shareholders	As at 31 December 2021, 31 December 2022 and 31 December 2023				As at the LPD				
	Direct		Indirect		Direct		Indirect		
	No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽¹⁾ (%)	No. of Shares	⁽²⁾ (%)	No. of Shares	⁽²⁾ (%)	
<u>Promoter and substantial shareholder</u>									
Datin Eloise	1	50.00	-	-	257,024,353	87.50	⁽³⁾ 14,687,102	5.00	
<u>Substantial shareholders</u>									
Tiu Kuang Hong	1	50.00	-	-	22,030,658	7.50	-	-	
Ivy See	-	-	⁽⁴⁾ 1	50.00	14,687,102	5.00	⁽⁴⁾ 257,024,353	87.50	

Notes:

- (1) Based on our issued share capital of 2 Shares as at the incorporation date of our Company.
- (2) Based on our issued Shares before our IPO of 293,742,113 Shares following the Acquisition, the details of which are set out in Section 6.5 (ii) of this Prospectus.
- (3) Deemed interest by virtue of the shareholdings of her sister, being Ivy See, pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of the shareholdings of her sister, being Datin Eloise, pursuant to Section 8 of the Act.

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

5.1.3 Profiles of Promoter and substantial shareholders

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

(i) Datin Eloise

Promoter, substantial shareholder and Group Managing Director

Datin Eloise, female, a Malaysian aged 43, is our Promoter, substantial shareholder and Group Managing Director. She was appointed to our Board on 20 February 2019. She is our Group Managing Director and is primarily responsible for the overall strategy and corporate direction of our Group.

She graduated with a Bachelor of Business Management with Majors in Management and Organisations and Marketing from University of Queensland, Australia in 2002. She obtained her Master of Business Administration from Victoria University, Australia in 2010.

In February 2003, she joined AGSB as a Business Development Executive and is primarily in charge of assisting the financial controller of AGSB on financial, operation, overall product management and customer support. In July 2009, she was appointed as a director of AGSB and Kah Hong Development (M) Sdn Bhd, an investment holding company with investment in freehold industrial land and shop office. She has been continuously responsible for the growth and business operations of AGSB. Meanwhile, she was in charge of the business development department of Kah Hong Development (M) Sdn Bhd until her resignation from the company as a director on 5 March 2018.

In January 2018, Datin Eloise's father, See Ming Hoi who was our Managing Director resigned as a director of AGSB and subsequently Datin Eloise was appointed as the Managing Director of AGSB. She was responsible for developing strategic direction and business expansion strategies of our Group. Since then, she has played a vital role in expanding AGSB's business operations and has been the key person driving AGSB's growth and expansion strategies. In February 2024, she accepted the invitation to be an industry advisory council member to the German-Malaysian Institute ("GMI") where her responsibilities include offering insights and recommendations, providing feedback to GMI's academic curriculum and collaborating with other council members to address key challenges and opportunities.

Save for our Company, she does not sit on the board of directors of any other public listed companies. Kindly refer to Section 5.2.3 (ii) of this Prospectus for her involvement in other companies outside of our Group.

Datin Eloise is the sibling of Ivy See (our substantial shareholder).

(ii) Tiu Kuang Hong

Substantial shareholder

Tiu Kuang Hong, male, a Malaysian aged 65, is a substantial shareholder of our Company and will cease to be a substantial shareholder of our Company upon the completion of the Offer for Sale. He was appointed to our Board on 20 February 2019 merely to assist Datin Eloise at the founding stage of the Listing and did not have any intention to remain as a director of the Company. Subsequently, he resigned from the Board on 28 November 2023 upon finalisation of the Board composition pursuant to the Listing. Nonetheless, he is still a director of AGSB, a position he holds since 25 September 1996.

He obtained a Malaysian Certificate of Education (SPM) in 1978. Thereafter, he obtained a first class award for his Diploma in Mechanical Engineering from Institiut Teknologi Jaya in Malaysia in 1982.

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

He has over 40 years of working experience in field of building prototypes parts, developing test procedures and conducting tests using software packages and physical testing methods for automotive and other industries parts in Malaysia. Together with See Ming Hoi, he incorporated AGSB on 25 September 1996 where he was appointed as a director of AGSB to be in charge of part process and development which encompasses quality, tooling, equipment purchases and installation, error and mistake proofing, part tracking, part follow up and project management and was officially redesignated as Technical Director of AGSB on 1 January 2018 assuming the same role. He has also attended and completed some technical and leadership programmes/courses such as "Corporate Directors' Training Programme" in 2003, "NX Essential Training" in 2018 and "Leadership Transformation Programme" in 2018.

(iii) Ivy See

Substantial shareholder

Ivy See, female, a Malaysian aged 49, is our substantial shareholder. She was appointed as a director of AGSB on 9 July 2009 and is primarily responsible for overseeing administrative and financing related matters.

In 1995, she obtained a Diploma in Business (Major in Financial Accounting) from Systematic College Kuala Lumpur (now known as Segi College Kuala Lumpur) and a Diploma in Accounting from London Chamber of Commerce and Industry. She then obtained a Diploma in Economics from University of London in 1997 via distance learning and continued to obtain a Master of Business Administration from Anglia Ruskin University in 2020.

Ivy See began her career as an Account Executive with KHEI in April 1998. In April 2005, she was promoted as Financial Controller whereby her main responsibilities included overseeing the cash flow planning and accounting operations of the company. She was subsequently redesignated as an Executive Director in July 2009 where she oversaw the company's financial matters including cashflow planning and budgeting. In January 2015, she was redesignated as Financial Director.

Subsequently in October 2018, she was transferred to AGSB and was redesignated as Design & Costing Director. She developed and executed pricing strategies to maximize AGSB's variable margin and competitive pricing, oversaw pricing and project cost management strategy.

In April 2021, Ivy See was redesignated as Administrative Director of AGSB and is primarily responsible for overseeing the Group's compliance, staff development and competency by planning delivery solutions, guiding and mentoring team members, implementation of program, project delegation and strategy.

Ivy See is the sibling of Datin Eloise (our Promoter, substantial shareholder and Group Managing Director).

Tiu Kuang Hong and Ivy See are not the Directors of our Company and also not the Key Senior Management of our Group. Their current responsibilities are mainly to support our Group, whereby Ivy See oversees the administrative matters while Tiu Kuang Hong assumes advisory roles whenever required.

5.1.4 Promoter's and substantial shareholders' Remuneration and Benefits

Save for the aggregate remuneration and benefits paid or intended to be paid or given to our Promoter and substantial shareholders for services rendered to our Group in all capacities for the FYE 2023 and FYE 2024 as set out in Section 5.2.4 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid or given to our Promoter and substantial shareholders within the 2 years preceding the date of this Prospectus.

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

5.2 DIRECTORS

5.2.1 Shareholdings of Directors

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

Name	Designation	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Noripah Binti Kamsu	Independent Non-Executive Chairperson	-	-	-	-	⁽³⁾ 300,000	0.07	-	-
Datin Eloise	Group Managing Director	257,024,353	87.50	⁽⁴⁾ 14,687,102	5.00	223,827,553	55.62	⁽⁴⁾ 14,687,102	3.65
Hideki Nomura	Executive Director/ Chief Business Development Officer	-	-	-	-	⁽³⁾ 381,300	0.09	-	-
Dato' Tang Ngat Ngoh	Independent Non-Executive Director	-	-	-	-	⁽³⁾ 300,000	0.07	-	-
Datuk Noor Azian Binti Shaari	Independent Non-Executive Director	-	-	-	-	⁽³⁾ 300,000	0.07	-	-
Chan Yan San	Independent Non-Executive Director	-	-	-	-	⁽³⁾ 50,000	0.01	-	-

Notes:

- (1) Based on our issued Shares before our IPO of 293,742,113 Shares following the Acquisition, details of which are set out in Section 6.5(ii) of this Prospectus.
- (2) Based on our enlarged issued Shares after our IPO of 402,386,413 Shares.
- (3) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocation.
- (4) Deemed interest by virtue of the shareholdings of her sister, being Ivy See, pursuant to Section 8 of the Act.

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

5.2.2 Profiles of Directors

Save for the profile of Datin Eloise as set out in Section 5.1.3 (i) of this Prospectus, the profiles of our other Directors are as follows:

(i) **Datuk Noripah Binti Kamso**
Independent Non-Executive Chairperson

Datuk Noripah Binti Kamso, female, a Malaysian aged 67, is our Independent Non-Executive Chairperson. She was appointed to our Board on 21 March 2024.

She obtained a Diploma in Business Studies from Institut Teknologi MARA, Malaysia (the predecessor of Universiti Teknologi MARA ("**UiTM**")) in 1978, a Bachelor of Science from Northern Illinois University in the United States of America ("**USA**") in 1980 and a Master of Business Administration from Marshall University in the USA in 1981.

She began her career in 1980 as Development Officer, Project Division at Urban Development Authority of Malaysia (now known as UDA Holdings Berhad) ("**UDA**") where she was responsible for overseeing the overall implementation of development projects. She left UDA and joined Bank of Commerce (M) Berhad in 1983 (which subsequently became part of CIMB Group Holdings Berhad (together with its subsidiaries and associated companies, "**CIMB Group**")) as an Executive Trainee and rose up the ranks to Senior Manager of the corporate banking department.

She remained with the CIMB Group for the next 30 years until 2014 where she held various key positions including Deputy General Manager, General Manager and director of the corporate banking department of Commerce International Merchant Bankers Berhad ("**CIMBB**") responsible for all corporate lending businesses from 1993 to 2004. While she was serving at CIMBB, she was also the Chief Executive Officer of CIMB Futures Sdn Bhd (now known as CGS International Futures Malaysia Sdn Bhd) ("**CIMB Futures**") in-charge of derivatives broking from 1996 to 2004. She was Chief Executive Officer of CIMB Principal Asset Management Berhad (now known as Principal Asset Management Berhad) ("**CPAM**") from 2004 to 2008 and the founding Chief Executive Officer of CIMB Principal Islamic Asset Management Sdn Bhd (now known as Principal Islamic Asset Management Sdn Bhd) ("**CPIAM**") from 2008 until 2012. During her tenure, CPAM evolved into a regional asset management house and CPIAM extended its reach to various jurisdictions offering investment capabilities in equities and sukuk for global institutional investors. Her last position in the CIMB Group was as an advisor to CIMB Islamic Bank Berhad's wholesale banking from 2013 to 2014, and she introduced organisational processes for improvement in delivery and revenue. She had also served as executive director of CIMB Futures, CPAM and CPIAM during her tenure with the CIMB Group. During her tenure as executive director of CIMB Futures, the company became one of the three profitable derivatives broking companies in Malaysia.

Between 2015 and 2016, she lectured graduate and undergraduate students in Islamic Capital Market at the Drake University of USA to fulfil her commitments as a Global Practitioner in Residence, which is funded by the Principal Financial Group Center for Global Citizenship. In the academic year from 2016 to 2017, she was a Visiting Fellow at the Oxford Centre for Islamic Studies, an independent centre of the University of Oxford, United Kingdom where she pioneered the establishment of the Islamic finance unit. She had been lecturing on the fundamentals of Islamic finance contracts as a visiting lecturer at Saint-Joseph University in Beirut, Lebanon from 2015 to 2023. She was an adjunct professor in the School of Economics, Finance & Banking of Universiti Utara Malaysia between 2014 and 2019 and she was also an adjunct professor in the Faculty of Business and Management of UiTM between 2019 and 2021.

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

Between 2015 and 2017, she was appointed by the SC to serve as Public Interest Director of the Federation of Investment Managers Malaysia (“**FIMM**”) which is recognised by the SC as a self-regulatory organisation for the unit trust industry. As Public Interest Director, her responsibilities included introducing best practices in fund management, fund operations, developing industry standards on investment management as well as the marketing and distribution. Between 2016 and 2020, she was a member of the Appeals Committee of Securities Industry Dispute Resolution Centre, an independent and impartial dispute resolution body established by the SC as part of its investor protection framework. She was also the Chairperson of Bank Kerjasama Rakyat Malaysia Berhad from 2018 to 2020 and the Chairperson of the board of trustees of Yayasan Bank Rakyat from 2019 to 2020. Between 2015 and January 2023, she was an Independent Non-Executive Director of Top Glove Corporation Bhd, a public company listed on the Main Market of Bursa Securities and the Mainboard of Singapore Exchange Securities Trading Ltd.

She has been an advisor to Pantas Software Sdn Bhd since 2019, whereby she provides strategic input on the company’s direction for domestic and regional business development. In 2022, she was appointed Chairwoman (designate) of the Malaysian operations of Arabesque Holding Ltd, a United Kingdom based financial technology company. She provides strategic direction for its business in the Malaysian capital market and financial market.

She has been an Independent Non-Executive Director of Swift Haulage Berhad since 2021, a public company listed on the Main Market of Bursa Securities. In February 2022, she was appointed as a Senior Independent Non-Executive Director in DXN Holdings Bhd, a public company listed on the Main Market of Bursa Securities. Please refer to Section 5.2.3 (i) of this Prospectus for further details on her directorships.

(ii) **Hideki Nomura**
Executive Director/ Chief Business Development Officer

Hideki Nomura, male, a Japanese aged 73, is our Non-Independent Executive Director. He was appointed to our Board on 15 December 2023. He graduated with a Degree of Bachelor of Engineering from Doshisya University of Mechanical Engineering, Japan, in 1975.

He oversees product engineering development and operations and also coordinates product manufacturing process to ensure quality improvement while providing technical, development and management advisory for our Group.

He began his career with Daihatsu Motor Co., Ltd., Japan (“**DMC**”) in the mechanical engineering section of the production engineering department in April 1975 and he was responsible for the cutting tool engineering, new engine development project and engine localisation projects. From April 1975 to February 1996, he was in charge of the development of numerous new engine development projects, amongst others, to localise the head cylinder and intake manifold for Daihatsu Perodua Engine Manufacturing Sdn Bhd in Malaysia. In March 1996, he was transferred to Daihatsu Shiga plant (“**Daihatsu Shiga Plant**”) in Ryuo, Shiga, in Japan as the Plant Manager who was responsible for the plant management with the focus on development and manufacturing of new engine and transmission projects as well as ensuring the quality, cost and productivity improvement through the implementation of Toyota Production System. His last held position was a Deputy Branch General Manager at Daihatsu Shiga Plant in June 2001. He was then promoted to the position of Director in DMC with the responsibility as the Plant Manager of DMC’s Ikeda and Kyoto plants in Japan for the development and manufacturing of new car model like the Toyota Passo and Daihatsu Boon.

In June 2004, he was in charge of the Indonesia Business Development as the Director of DMC and was later seconded to P.T. Astra Daihatsu Motor, Indonesia (“**PT Astra**”) in the same year.

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

In June 2006, he was appointed as the Executive Director of DMC and was also appointed as the President of PT Astra. During his tenure in PT Astra, he was responsible for the development and manufacturing of new car models, including the Daihatsu Xenia, Toyota Avanza and Toyota Rush. He remained as the President of PT Astra until May 2009.

He then joined Akashi Kikai Industry Co. Ltd., ("**Akashi Kikai**") in Japan, a subsidiary of DMC as an Advisor in June 2009 before being promoted as an Executive Vice President in July 2009. Akashi Kikai is a company that manufactures and sells automotive parts. In February 2012, Akashi Kikai established Akashi Kikai Industry (M) Sdn Bhd, a subsidiary in Malaysia, where he was appointed as the Managing Director of Akashi Kikai Industry (M) Sdn Bhd ("**Akashi Kikai Malaysia**") and he was tasked to manufacture an automatic transmission in Malaysia. He held this position until his retirement in June 2016. He then remained as an Advisor to support the new managing director by providing production and development advice until September 2017.

He was appointed as Corporate Advisor to AGSB on 26 November 2018 to render his mentorship in automotive production management, problem-solving and best practices for efficiency in operations. He was subsequently redesignated as Chief Business Development Officer on 26 May 2023 assuming the same role.

(iii) **Dato' Tang Ngat Ngoh** *Independent Non-Executive Director*

Dato' Tang Ngat Ngoh @ Lisa, female, a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 15 December 2023. She is also the Chairperson of our Nomination and Remuneration Committee and a member of our Audit and Risk Management Committee.

She graduated with a Bachelor of Science Education (Chemistry) from University Science Malaysia in 1986. In 1999, she completed her Master of Science from University of Malaya and graduated from the Chartered Governance Qualifying Programme of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators). She then became the associate member of the Malaysian Institute of Chemistry and the Malaysian Institute of Chartered Secretaries and Administrators (an affiliate body to the Chartered Governance Institute) in 2006 and 2009 respectively.

She began her career as a trainee in April 1987 in the Malaysian Police Training Centre with Royal Malaysia Police ("**RMP**"). In February 1988, she served as an Operation Officer and then served as an Investigating Officer in the Criminal Investigation Department at the Kuala Lumpur Police Contingent Headquarters until July 1993, where she was primarily involved in investigating criminal cases and carrying out crime prevention activities. In the same month, she was posted to the Narcotics Criminal Investigation Department as an Operation Officer, in the Bukit Aman RMP Headquarters, where she worked on criminal cases and conducted arrest operations. She was then promoted as a Deputy Superintendent of Police in March 1999 and served as a senior lecturer in the Forensic Science Unit of the RMP College of Kuala Lumpur ("**RMPC**") until November 2007. She was promoted as Superintendent of Police in November 2007 to act as the Head of DNA Analysis Section of the RMP Forensic Laboratory and she assisted the RMP Forensic Laboratory to attain accreditation status under MS ISO 17025 in 2013. In August 2013, she was promoted to Assistant Commissioner of Police and then became the Principal Assistant Director of the DNA Databank Division of RMP until February 2020, where her responsibilities included supervising and managing the Forensic DNA Databank of Malaysia. In February 2020, she was promoted to Senior Assistant Commissioner of Police and served as the Head of Strategic Policy Division in the Inspector General of Police Secretariat (Research & Development) of RMP, where she was mainly responsible for making strategic policies and ensuring that the policies were implemented, until she retired in March 2021.

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

In recognition for her services to the RMP over the past 34 years, she was awarded with Darjah Kebesaran Kepahlawanan Pasukan Polis Diraja Malaysia – Panglima Setia Pasukan Polis (“**PSPP**”) and Darjah Kebesaran Yang Mulia Mahkota Wilayah – Kesatria Mahkota Wilayah (“**KMW**”) awards from the Kebawah Duli Yang Maha Mulia Seri Paduka Baginda *Yang di-Pertuan Agong* in October 2013 and February 2014 respectively. She was conferred with the Darjah Indera Mahkota Pahang, which carries the title of Dato’ by the Sultan of Pahang in May 2021.

She was also appointed as an Independent Non-Executive Director of the Revenue Group Berhad on 24 March 2023.

Further details of her directorships in other public listed company in Malaysia are as set out in Section 5.2.3 (iv) of this Prospectus.

(iv) **Datuk Noor Azian Binti Shaari** *Independent Non-Executive Director*

Datuk Noor Azian Binti Shaari, female, a Malaysian aged 76, is our Independent Non-Executive Director. She was appointed to our Board on 15 December 2023. She is also a member of our Audit and Risk Management Committee and Nomination and Remuneration Committee.

She is a Barrister-at-Law, having been called to the Bar by the Honourable Society of Lincoln’s Inn, United Kingdom in July 1971. She joined the Judicial and Legal Service upon returning to Malaysia in November 1971 until her retirement in July 2004. During her tenure in the Judicial and Legal Service, she held various positions including a Chairman of the Special Commissioners for Income Tax where she heard and decided on tax appeal cases.

After her retirement from the Judicial and Legal Service in 2004, she was appointed as a Judicial Commissioner in 2005 before her appointment as a Judge of the High Court of Malaya in September 2007. She presided over cases in the Commercial, Civil and Criminal Divisions. Datuk Noor Azian Binti Shaari retired from her position as a High Court Judge in 2014.

After her retirement as a High Court Judge, she was appointed as an Independent Non-Executive Director of Deleum Berhad (“**Deleum**”) (a company listed on the Main Market of Bursa Securities) in January 2015. As a Board member of Deleum, she was a member of the Joint Remuneration and Nomination Committee and Board Risk Committee. Her roles in these committees included assessing the effectiveness of the Board as a whole and overseeing the implementation of risk management framework. She resigned from her directorship in April 2022.

In October 2016, Datuk Noor Azian Binti Shaari was appointed as an Independent Non-Executive Director of Affin Hwang Investment Bank Berhad and she was the Chairman of the Nomination and Remuneration Committee (“**NRC**”) and a member of the Board Risk Management Committee (“**BRMC**”). As the Chairman of NRC, her responsibilities included overseeing the overall composition of the Board and undertaking annual review. Her role as a member of BRMC included ensuring that the risk management framework, policies, infrastructure and controls (including procedures and processes) adequately protected the bank against risks. She also represented Affin Hwang Investment Bank Berhad to sit on the Group Board Nomination and Remuneration Committee and Group Board Compliance Committee of Affin Bank Berhad. She was generally responsible for reviewing the diversity and matrix skills of the Board management, assessing and examining the adequacy of compliance and integrity, as well as governance frameworks for the bank. In October 2022, she retired from Affin Hwang Investment Bank Berhad as a director upon completion of her tenure.

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

She is an Independent Non-Executive Director of Mesiniaga Berhad since July 2019 and is a member of the Audit and Risk Management Committee. As a member of the Audit and Risk Management Committee, she oversees risk management in cybersecurity, ethics and integrity compliance, and regulatory compliance. Further details of her directorships in other public listed companies in Malaysia are as set out in Section 5.2.3 (v) of this Prospectus.

Datuk Noor Azian Binti Shaari is a Registered Arbitrator with the Asian International Arbitration Centre Kuala Lumpur.

(v) Chan Yan San
Independent Non-Executive Director

Chan Yan San, male, a Malaysian aged 54, is our Independent Non-Executive Director. He was appointed to our Board on 15 December 2023. He is also the Chairman of our Audit and Risk Management Committee and a member of our Nomination and Remuneration Committee.

He obtained his Bachelor of Commerce in Accounting from the University of New South Wales in June 1993. He is a Certified Practising Accountant of CPA Australia since September 1996 and a Chartered Accountant of Malaysian Institute of Accountants since June 2001.

He began his career with Arthur Andersen & Co in February 1993 as a Staff Assistant and left as a Manager in June 2000. He joined Federal Paint Factory Sdn Bhd as a Finance Manager in June 2000 and was promoted as Chief Executive Officer in September 2001 where he oversaw the company's marketing and business development activities, implementation of approved development plans and policies.

In July 2004, he left Federal Paint Factory Sdn Bhd and joined Prestasi Flour Mill (M) Sdn Bhd as a Financial Controller in September 2004. He then left Prestasi Flour Mill (M) Sdn Bhd in September 2005 to be the Group Financial Controller of Furniweb Industrial Products Berhad (now known as PRG Holdings Berhad) ("**Furniweb**"). In June 2008, he was promoted as Furniweb's Chief Financial Officer and was responsible for all accounting, finance, human resources, administration and information technology matters.

He left Furniweb in April 2014 and joined Poney Resources Sdn Bhd as a Chief Financial Officer on 15 April 2014. In June 2014, he left Poney Resources Sdn Bhd and, joined Rhone Ma Malaysia Sdn Bhd, now a subsidiary of Rhone Ma Holdings Berhad, as a Finance Director in July 2014 and is mainly responsible for the company's financial and accounting, human resources and commercial services.

In March 2023, he was appointed as a director of Jemaluang Dairy Valley Sdn Bhd, an associate company of Rhone Ma Holdings Berhad. As at the LPD, he does not have any other active involvement in private limited companies, partnerships or enterprises. Please refer to Section 5.2.3 (vi) of this Prospectus for further details.

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

5.2.3 Involvement of our Directors in other Businesses and Corporations outside our Group

Save as disclosed below, none of our Directors have any other principal directorships held and principal business activities performed by them in other businesses or corporations outside our Group as at the LPD and in the past 5 years preceding the LPD:

(i) Datuk Noripah Binti Kamso

Company/ entity	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Swift Haulage Berhad	Provision of container haulage services and warehousing	Independent Non-Executive Director and shareholder	22 June 2021	-	*	-
DXN Holdings Bhd	Investment holding and provision of management services ⁽¹⁾	Senior Independent Non-Executive Director and shareholder	10 February 2022	-	*	-
<u>Past involvement</u>						
Bank Kerjasama Rakyat Malaysia Berhad	Banking activities based on Shariah principles through accepting deposits and providing financial services for retail and commercial needs	Independent Non-Executive Chairman and shareholder	11 December 2018	3 April 2020	*	-
Good Logistics Holdings Sdn Bhd	Investment holding company ⁽²⁾	Director	14 June 2021	2 August 2021	-	-
Top Glove Corporation Bhd	Investment holding and provision of management services ⁽³⁾	Independent Non-Executive Director and shareholder	18 March 2015	6 January 2023	*	-

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

Notes:

* *Less than 0.1%*

- (1) *The principal activities of its subsidiaries include sales of health supplements and other products on direct sales basis, manufacture and distribution of health food supplements and other products, and research and development and experimental work in relation to biotechnology, bio-chemical and agricultural products and trading of agricultural products.*
- (2) *Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad) had not commenced operations during Datuk Noripah Binti Kamso's tenure as director of the company.*
- (3) *The principal activities of its subsidiaries include the manufacture and trading of gloves, distribution of medical gloves & other hospital related products, and manufacturing and trading of personal care and home care products.*

(ii) Datin Eloise

<u>Company</u>	<u>Principal activities</u>	<u>Involvement</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
<u>Past involvement</u>						
KHPT Venture ⁽¹⁾	Investment holding company	Director and shareholder	12 February 2019	-	100.0	-

Note:

- (1) *On 18 April 2024, KHPT Venture has been struck off the register.*

(iii) Hideki Nomura

Hideki Nomura does not have any other principal directorships held and principal business activities performed by him in other businesses or corporations outside our Group as at the LPD and in the past 5 years preceding the LPD.

5. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(iv) Dato' Tang Ngat Ngoh**

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Revenue Group Berhad	Investment holding ⁽¹⁾	Independent Non-Executive Director	24 March 2023	-	-	-

Note:

(1) The principal activities of its subsidiaries include distribution and maintenance of electronic data capture terminals, provision of merchant acquisition services, as well as the provision of electronic transaction processing services, money lending services and activities of holding companies.

(v) Datuk Noor Azian Binti Shaari

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Mesiniaga Berhad	Sale and service of information technology products and related services	Independent Non-Executive Director	1 July 2019	-	-	-
<u>Past involvement</u>						
Affin Hwang Investment Bank Berhad	Investment banking, stockbroking activities dealing in options and futures related financial services	Independent Non-Executive Director	4 October 2016	4 October 2022	-	-
Deleum Berhad	Investment holding company ⁽¹⁾	Independent Non-Executive Director	1 January 2015	1 April 2022	-	-

Note:

(1) The principal activities of its subsidiaries include provision of services, equipment, parts and solutions predominantly for oil and gas industry and investment holding.

5. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(vi) Chan Yan San**

<u>Company</u>	<u>Principal activities</u>	<u>Involvement</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>% of shareholdings held</u>	
					<u>Direct</u>	<u>Indirect</u>
<u>Present involvement</u>						
Jemaluang Dairy Valley Sdn Bhd	Holding companies, production of raw milk and wholesale of dairy products ⁽¹⁾	Director	7 March 2023	-	-	-

Note:

(1) As at the LPD, Jemaluang Dairy Valley Sdn Bhd has not commenced operation.

As at the LPD, all of our Directors are in compliance with Rule 15.06 of the Listing Requirements as none of our Directors hold more than 5 directorships in public listed companies on Bursa Securities.

Our Board is of the view that the involvement of our Directors mentioned above in the other principal business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group in their respective roles as our Directors, as our Non-Executive Directors are not involved in the day-to-day operations of our Group.

There is no conflict of interest or potential conflict of interest identified based on the present and past involvements of our Directors outside of our Group as set out above in view that their present and past involvements as directors and in other business activities outside our Company are not similar to our Group's business.

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

5.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2023 and FYE 2024 are as follows:

FYE 2023 (paid)	Salaries	Fees	Bonus	EPF and Social Security Organisation	Allowances	Benefits-in-kind	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
<u>Executive Directors</u>							
Datin Eloise	333,000	-	-	41,119	-	6,606	380,725
Tiu Kuang Hong ⁽¹⁾	219,000	-	-	27,320	-	2,710	249,030
Hideki Nomura ⁽²⁾	146,720	-	-	743	-	-	147,463
<u>Non-Executive Directors</u>							
Dato' Tang Ngat Ngoh ⁽²⁾	-	⁽³⁾ 3,500	-	-	-	-	3,500
Datuk Noor Azian Binti Shaari ⁽²⁾	-	⁽³⁾ 3,500	-	-	-	-	3,500
Chan Yan San ⁽²⁾	-	⁽³⁾ 3,500	-	-	-	-	3,500
Dato' Hamzah Bin Mohd Salleh ⁽⁴⁾	-	⁽⁵⁾ 32,000	-	-	-	-	32,000
<u>FYE 2024 (proposed)</u>							
	Salaries	Fees	Bonus	EPF and Social Security Organisation	Allowances	Benefits-in-kind	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
<u>Executive Directors</u>							
Datin Eloise	430,000	-	-	52,759	-	7,000	489,759
Hideki Nomura ⁽²⁾	186,000	-	-	1,040	-	-	187,040
<u>Non-Executive Directors</u>							
Datuk Noripah Binti Kamso ⁽⁶⁾	-	⁽⁷⁾ 45,000	-	-	2,000	-	47,000
Dato' Tang Ngat Ngoh ⁽²⁾	-	42,000	-	-	2,500	-	44,500
Datuk Noor Azian Binti Shaari ⁽²⁾	-	42,000	-	-	2,500	-	44,500
Chan Yan San ⁽²⁾	-	42,000	-	-	2,500	-	44,500
Dato' Hamzah Bin Mohd Salleh ⁽⁴⁾	-	⁽⁸⁾ 13,500	-	-	500	-	14,000

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

Notes:

- (1) *Resigned from the Board on 28 November 2023. He is still a director of AGSB.*
- (2) *Appointed on 15 December 2023.*
- (3) *The fees are for the month of December 2023 only.*
- (4) *Dato' Hamzah Bin Mohd Salleh resigned from the Board on 21 March 2024.*
- (5) *The fees are for the month of December 2023 only and includes the fees paid to him as a director of AGSB from 1 January 2023 until his resignation on 4 December 2023.*
- (6) *Appointed on 21 March 2024.*
- (7) *The fees are for the months of March 2024 to December 2024 only.*
- (8) *The fees are for the months of January 2024 to March 2024 only.*

The remuneration of our Directors including salaries, fees, bonuses and allowances as well as other benefits-in-kind are based on individual contributions to our Group's overall performance and value. Such remuneration must be considered and recommended by our Nomination and Remuneration Committee and subsequently be approved by our Board. The Directors' fees and/or any benefits payable to our Directors must be further approved by our shareholders pursuant to an ordinary resolution to be passed at a general meeting in accordance with our Constitution.

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

5.3 BOARD PRACTICES

Our Board is committed to inculcating good corporate governance practices in our Group from time to time in accordance with the practices and guidance based on the MCCG. Our Board believes that corporate governance is extremely important to the success of our Group's business.

5.3.1 Term of office

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of expiration of the current term of office</u>	<u>Duration in office as at LPD (years)</u>
Datuk Noripah Binti Kamso (F)	Independent Non-Executive Chairperson	21 March 2024	Subject to rotation at the AGM in year 2024	Less than 1
Datin Eloise (F)	Group Managing Director	20 February 2019	Subject to rotation at the AGM in year 2024	5
Hideki Nomura (M)	Executive Director	15 December 2023	Subject to rotation at the AGM in year 2024	Less than 1
Dato' Tang Ngat Ngoh (F)	Independent Non-Executive Director	15 December 2023	Subject to rotation at the AGM in year 2024	Less than 1
Datuk Noor Azian Binti Shaari (F)	Independent Non-Executive Director	15 December 2023	Subject to rotation at the AGM in year 2024	Less than 1
Chan Yan San (M)	Independent Non-Executive Director	15 December 2023	Subject to rotation at the AGM in year 2024	Less than 1

Notes:

(M) *Male.*

(F) *Female.*

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

In accordance with our Company's Constitution, all the Directors shall retire from office at the first AGM of our Company and 1/3 (or the number nearest to 1/3) of our Directors for the time being, shall retire by rotation at the AGM of our Company in every subsequent year and shall be eligible for re-election provided always that all the Directors shall retire at least once in each 3 years but shall be eligible for re-election. Any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM and shall then be eligible for re-election. None of our Directors has been appointed for a fixed term.

Our Directors who are deemed as Independent Directors, as defined in the Listing Requirements, shall be subject to re-appointment in the manner described above. Our Group has adopted all the practices recommended by the MCCG.

None of our Directors represent any corporate shareholder on our Board.

For details on the association of family relationship between our Promoter, Directors and Key Senior Management, please refer to Section 5.6 of this Prospectus.

5.3.2 Responsibility of our Board

Subject to the limitations of our Constitution, our Board has adopted a charter ("**Board Charter**"), which sets out, among others the following principal responsibilities of our Board for effective discharge of its functions:

- (i) reviewing and approving strategies, business plans and key policies for the Group:
 - (a) review, challenge and decide on management's proposals for the Group;
 - (b) review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations;
 - (c) establish policies for strengthening the performance of the Group including ensuring the management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital; and
 - (d) monitor the management's performance in implementing these,
- (ii) setting corporate value and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
- (iii) ensuring compliance to the applicable laws and regulations and the Group's internal control system:
 - (a) carry out duties in accordance with the relevant provisions of the Listing Requirements, the CMSA, the Act, the MCCG and all applicable laws, regulations and guidelines;
 - (b) formalise the ethical standards through a code of conduct which will be applicable throughout the Group;
 - (c) review the adequacy and integrity of the Group's internal control system and management information systems to comply with applicable laws and regulations;
 - (d) identify principal risks, set the risk appetite within which the Board expects the management to operate and ensure implementation of appropriate systems; and
 - (e) establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of internal control system,

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

- (iv) adopting a succession planning policy:
 - (a) ensure that the management has the necessary skills and experience; and
 - (b) ensure there is a proper and robust succession plan for its management and executive directors by selecting, training, appointing, monitoring, evaluating and replacing (if warranted) any management to ensure succession,
- (v) ensuring the Board has adequate procedures in place to receive reports from the management periodically / on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (vi) in relation to the financial and non-financial reporting framework:
 - (a) ensure its Directors are able to understand financial statements and form a view of the information presented;
 - (b) ensure the integrity of the Group's financial and non-financial reporting; and
 - (c) each Director shall read the financial statement of the Group and consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs,
- (vii) ensuring the Group has in place procedures to enable effective communication with stakeholders; and
- (viii) ensuring that there shall be unrestricted access to independent advice or expert advice in furtherance of the Board's duties.

5.3.3 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 13 March 2024 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chan Yan San	Chairman	Independent Non-Executive Director
Datuk Noor Azian Binti Shaari	Member	Independent Non-Executive Director
Dato' Tang Ngat Ngoh	Member	Independent Non-Executive Director

The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

- (i) oversight of the Group's risk management framework, including the significant policies and practices used in managing business, market, operational and certain other risks;
- (ii) reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which includes but is not limited to ensuring the adequacy of risk management policies and infrastructure to facilitate the implementation of action plans for risk management;
- (iii) reporting to the Board regarding the Group's risk profile, as well as its risk management framework, including the significant policies and practices adopted to manage risks in the Group's businesses;

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

- (iv) oversight of the risk governance processes, including risk measurement, risk monitoring, risk control or mitigation, and risk reporting;
- (v) to review and discuss with the external auditors on the following and report the same to the Board:
 - (a) the nature, scope and plan of the audit before the audit commences;
 - (b) evaluations of the internal controls system;
 - (c) external auditor's report of deficiencies in internal control and management's response thereto;
 - (d) any significant audit findings, reservations, difficulties encountered, or material weaknesses reported by the external auditors; and
 - (e) annual evaluation of the performance of the external auditors, including the suitability, objectivity and independence of external auditors,
- (vi) to review with the internal auditors and report to the Board on the following:
 - (a) annual audit plan which is risk-based and focused on significant risk areas to ensure adequate scope and comprehensive coverage over the activities of the Group;
 - (b) effectiveness of the internal audit processes as well as adequacy of resources, competency and the necessary authority for the internal audit function;
 - (c) internal audit report containing the internal audit findings, commentaries and recommendations and to follow up on remedial actions; and
 - (d) ensure the internal audit function is independent of the activities it audits and the internal auditors report directly to the Audit and Risk Management Committee and their performance are reviewed on annual basis,
- (vii) to review the statement of risk management and internal control (to be published in the annual report) and report the same to the Board;
- (viii) to assess the adequacy of the business recovery / disaster recovery procedures;
- (ix) to review and report to the Board any related party transaction (including recurrent related party transactions) and conflict of interest situation:
 - (a) that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts; and
 - (b) to ensure that all transactions are fair, reasonable and undertaken on the Group's normal commercial terms,
- (x) to ensure that proper investigations are carried out, on a timely basis, for substantiated cases reported by any whistleblower to the chairman of Audit and Risk Management Committee, and report the results and conclusion of such investigations, with the appropriate cause of action shall be recommended to the Board for approval, in accordance with the Group's whistleblowing policy;

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

- (xi) to review and deliberate the quarterly results and year-end financial statements, before the approval by the Board, focusing particularly on:
 - (a) any changes in or implementation of accounting policies and practices;
 - (b) significant or material adjustments with financial impact arising from the audit;
 - (c) significant matters highlighted including financial reporting issues, significant judgements made by the management, significant and unusual events or transactions, and how these matters are addressed; and
 - (d) compliance with applicable financial reporting standards,
- (xii) to prepare an Audit and Risk Management Committee report at the end of the financial year for inclusion in the annual report pursuant to the Listing Requirements; and
- (xiii) to report promptly any matters resulting in the breach of the Listing Requirements to the Board. Where the Audit and Risk Management Committee is of the opinion that such matter reported by it to the Board has not been satisfactorily resolved, the Audit and Risk Management Committee shall promptly report such matter to Bursa Securities.

5.3.4 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 13 March 2024 and its members are appointed by our Board. Our Nomination and Remuneration Committee comprises the following members:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Dato' Tang Ngat Ngoh	Chairperson	Independent Non-Executive Director
Datuk Noor Azian Binti Shaari	Member	Independent Non-Executive Director
Chan Yan San	Member	Independent Non-Executive Director

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

- (i) in relation to nomination purposes:
 - (a) to review the structure, size and composition (including skills, knowledge, experience and diversity in skills, experience, age, cultural background and gender) of the Board, board committees, all Directors and Key Senior Management in the Group, with a view to determine the impact in respect of its effectiveness and recommend on any improvements or changes to formulate the policy on board composition;
 - (b) establish nomination and election process as well as appointment and re-appointment / re-election process of Directors in the Company;
 - (c) annual evaluation on the effectiveness of the Board as a whole, the board committees and contributions of individual Directors of the Company;
 - (d) draw up, review and recommend to the Board the policy on independence and conflict of interest to ensure the independence of independent directors are reviewed annually;
 - (e) review and recommend to the Board the appointment of any executive directors and Key Senior Management of the Company;

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

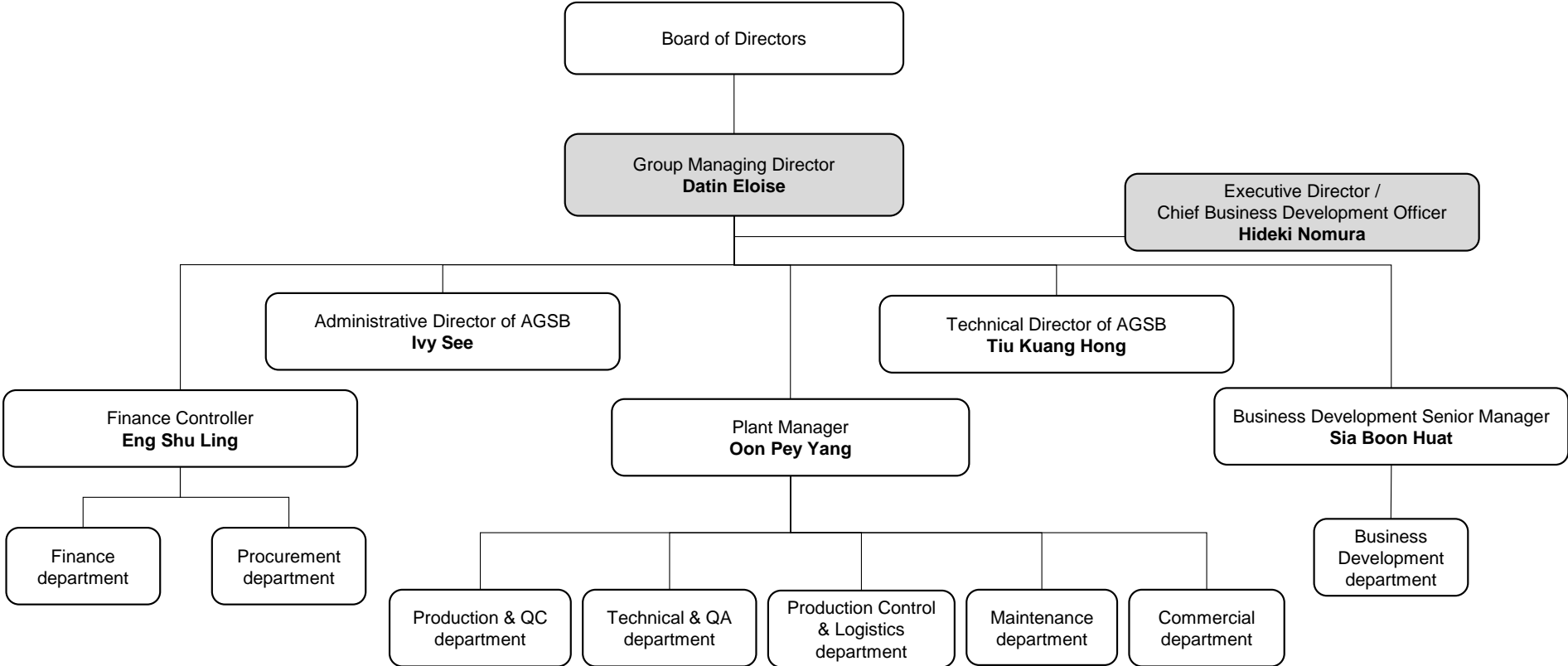
- (f) to assess the fit and proper criteria (which include compatibility with the composition of Board; willingness to act or continue to act after being made aware of the responsibilities as a Director; is or willing to be familiar with the Company's business activities; and has the ability to attend board meetings) for the re-election or re-appointment of Directors and provide justification for the re-election or re-appointment before recommending to the Board;
 - (g) to review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and members have carried out their duties according to their terms of reference;
 - (h) to review and oversee a succession planning framework for the Board, board committee members, board committee chairperson, Directors, Key Senior Management of the Company and board of our subsidiaries; and
 - (i) recommend suitable orientation / induction, educational and training programmes for the Board,
- (ii) in relation to remuneration purposes:
- (a) to review the remuneration framework across the Group, including to formulate the policies, procedures, guidelines and set criteria for remuneration packages for the Directors and Key Senior Management of the Company which shall be determined on the basis of merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market information;
 - (b) to review the level of remuneration as it should be aligned with the Company's business strategy, long-term objectives, complexity of activities and reflect the experience, level of responsibilities and performance in managing material sustainability risks and opportunities undertaken by the individual Director and Key Senior Management of the Company;
 - (c) to review and recommend to the Board the remuneration, fees and benefits payable (if any) of the Directors and Key Senior Management taking into consideration the responsibilities undertaken and employment conditions within the industry – the individuals concerned shall abstain from the deliberation of their own remuneration packages; and
 - (d) to communicate with shareholders on Directors' remuneration e.g. disclosing the remuneration of individual Directors on a named basis in the annual report.

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

5.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



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

5.5 KEY SENIOR MANAGEMENT

5.5.1 Shareholdings of Key Senior Management

Save for the shareholdings of Datin Eloise and Hideki Nomura which are as set out in Section 5.1.1 and Section 5.2.1 of this Prospectus, the details of our other Key Senior Management and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Sia Boon Huat	-	-	-	-	⁽⁴⁾ 1,418,800	0.35	-	-
Eng Shu Ling	-	-	-	-	⁽⁴⁾ 950,000	0.24	-	-
Oon Pey Yang	-	-	-	-	⁽⁴⁾ 1,150,000	0.29	-	-

Notes:

- (1) Based on our issued Shares before our IPO of 293,742,113 Shares following the Acquisition, details of which are set out in Section 6.5 (ii) of this Prospectus
- (2) Based on our enlarged issued share capital after our IPO of 402,386,413 Shares.
- (3) Deemed interest by virtue of the shareholdings of her sister, being Ivy See, pursuant to Section 8 of the Act.
- (4) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocation.

5.5.2 Profiles of Key Senior Management

The profiles of Datin Eloise and Hideki Nomura are as set out in Section 5.1.3 (i) and Section 5.2.2 (ii) of this Prospectus.

The profiles of our other Key Senior Management are as follows:

(i) Sia Boon Huat
Business Development Senior Manager

Sia Boon Huat, male, a Malaysian aged 49, is our Business Development Senior Manager and is primarily responsible for business development and providing engineering and logistic support in our Group.

He graduated from Kolej WIT, Malaysia with a Diploma in Architecture in 1997.

In March 1998, he joined Cycleworld Corporation Sdn Bhd as their Technical Assistant, where he was involved in design, quantity survey and project management. In August 2002, he left Cycleworld Corporation Sdn Bhd and took a career break from September 2002 to February 2004. In March 2004, he joined Dras Refrigeration Sdn Bhd as their Designer and Side Coordinator until September 2005. Thereafter, he took a 1 month break and in November 2005, he joined Cycleworld Resources Sdn Bhd as their Project and Marketing Manager. In November 2006, he joined Euro Damai Sdn Bhd as their Project and Marketing Manager.

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

In October 2009, he left Cycleworld Resources Sdn Bhd and resigned from Euro Damai Sdn Bhd. He then took a career break before joining AGSB as a Customer Relations Manager in May 2010 to build and maintain good business relationship between AGSB and its customers. In recognising of his capability, he was then promoted to be the Head of Department of the Engineering Department in May 2011 to support the monitoring of projects. In August 2016, he was re-designated as Business Development cum Operations, Senior Manager and was in charge marketing, production delivery and quality control.

In April 2021, he was transferred to our Operation/ Logistic Department to support and assist in the internal improvement of AGSB's logistic activities. In July 2022, he was re-designated as Sales and Logistics Senior Manager and re-designated again as Senior Manager in December 2022. He is a long-serving employee of AGSB for 13 years, since his attachment in 2010.

(ii) Eng Shu Ling
Finance Controller

Eng Shu Ling, female, a Malaysian, aged 34, is our Finance Controller since May 2018. She is a member of the CPA Australia since 2016 and a Chartered Accountant under the Malaysian Institute of Accountants (MIA) since 2017. Prior to this, she completed her Foundation in Arts from Help University College in 2009, and pursued for Bachelor of Arts with Second Class (Upper Division) Honours in Accounting and Finance from University of East London in 2012. During this period, she was awarded for the Best Subject Performance in FE3025 Issues and Controversies in Accounting, and CPA Australia Book Prize Award in 2011 by the Help University College. Upon graduation, she continued and obtained her Master of Accounting and Finance from Help University in 2013.

She began her career with Deloitte PLT Malaysia in March 2013 as an Audit Staff Assistant I and spent about five (5) years prior to leaving Deloitte PLT Malaysia as an Audit Manager in March 2018. Throughout this period, she acquired extensive audit experience across diverse industries, including manufacturing, property development, trading, for both private limited and public listed companies in Malaysia. She was also assigned for a 9-month secondment programme to the Malaysian Accounting Standards Board in September 2014 and attendance to the Deloitte SEA Professional Service Excellence Programme.

She left Deloitte Malaysia in March 2018 to join AGSB in May 2018 as a Finance Controller. She heads the Department for Finance and Procurement Department of AGSB. Her responsibilities include financial accounting, financial management, cashflow management, financial budgeting and taxation of AGSB as well as engaging with all external stakeholders in relation to accounts, banking and finance, secretarial, taxation matters for AGSB. In addition, she holds the responsibility of planning, coordinating, and overseeing the procurement process, suppliers' engagement, and efficient utilisation of materials and inventory management for all the raw materials and supplies within AGSB.

(iii) Oon Pey Yang
Plant Manager

Oon Pey Yang, male, a Malaysian, aged 41 years and had obtained a Bachelor Degree in Mechanical Manufacturing and Automation from Hua Qiao University, China in June 2006. He is our Plant Manager who has more than fifteen (15) years of experience in the automotive manufacturing operations, covering production planning, machine and facility maintenance, quality management, product development as well as process optimization and tooling design.

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

Upon graduation, he returned to Malaysia and in August 2006, he commenced his career with NJ Manufacturing Industries Sdn Bhd, as a Computer-aided Design (“CAD”) / Computer-aided Manufacturing (“CAM”) Engineer. He was responsible for conducting reverse engineering on part modelling and die surfaces, as well as coordinating with toolmaker for troubleshooting and process improvement during part trials. In December 2009, he was transferred from NJ Manufacturing Industries Sdn Bhd to MJ Manufacturing Industries Sdn Bhd, a hundred percent (100%) wholly owned subsidiary of New Hoong Fatt Holdings Berhad (“NHF”). He was then promoted to Senior Engineer (E2) of the Technical Department. In 2011, he was selected by NHF to participate in the “New Hoong Fatt’s Feeder Programme”, an initiative aimed at accelerating the development of future leader within NHF. Upon the completion of the programme, he was promoted as the Head of Laser Department in April 2011. He managed maintenance and troubleshooting of Trumpf Laser machines (TLC1005, TruLaserCell7040) and supervised laser jig design and programming trial for new products.

In April 2013, he assumed the position of Head of Programming Department, he was responsible for monitoring daily programming projects of Computer Numerical Control (“CNC”) machines, overseeing the design and programming of laser jigs for new items, and optimizing machine processes to reduce lead time for part trials. In June 2014, he was promoted to Assistant Manager (E3) in Design & Development division of the Metal Department.

In August 2016, he took on the role as the Head of CAD/CAM Department. His primary responsibilities included ensuring the timely delivery of new products, creating tooling designs, 3D Surface Modelling, CNC Machine programmes fulfilling required specifications. In December 2016, he was certified by Dassault Systemes as a “CATIA V5R20 Part Design Specialist”. Additionally, he attended the 1Malaysia Grip Programme, and completed the course on “Automotive 3D Design Certification Programme” by Malaysian Automotive Component Parts Manufactures and IME CAD/CAM Training Centre Sdn Bhd.

He then took on the additional role as Tooling Manager in the Design and Development Department. As his responsibilities grew, he was required to define new product tooling process to achieve cost-effectiveness, improved quality, and faster mould fabrication. He ensured consistent development flow for new tooling, managed the fabrication of moulds and dies and machinery to support new product launches, maintained quality control. He also provided assistance to the toolmakers in the tool and die fabrication process, ensuring adherence to specifications and accuracy of the products.

He left MJ Manufacturing Industries Sdn Bhd in September 2018 to join AGSB as the Technical Manager. In July 2022, he was promoted as our Operations Manager, where his primary responsibilities include supervising the manufacturing personnel to ensure the production of high quality and cost-effective products in a timely manner. He oversees the hiring, orientation and training processes for technical production employees to maintain a competent workforce. Furthermore, he conducts studies and research to introduce more effective approaches for production, analyses and resolves manufacturing challenges, and reviews the cost structure for new project quotations to ensure competitive and profitable pricing of the products. He works closely with the Marketing and Finance Department to implement strategies aimed at enhancing sales performance and achieving sales target. On 1 July 2024, he was redesignated as our Plant Manager to better reflect his role in managing our TPG Factory.

5.5.3 Involvement of our Key Senior Management in other businesses / corporations

None of our other Key Senior Management has any other principal directorships held and principal business activities performed by them in other businesses or corporations outside our Group within the past 5 years up to the LPD. There is no conflict of interest or potential conflict of interest identified as our other Key Senior Management do not hold any directorships or have any principal business activities outside our Company as at the LPD and in the past 5 years preceding the LPD.

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

5.5.4 Key Senior Management's remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation) paid or proposed to be paid to our other Key Senior Management for services rendered in all capacities to our Group for the FYE 2023 and FYE 2024 are as follows:

Key Senior Management	Remuneration band (RM)	
	FYE 2023 (paid)	*FYE 2024 (proposed)
Sia Boon Huat	150,000 – 200,000	180,000 – 230,000
Eng Shu Ling	150,000 – 200,000	180,000 – 230,000
Oon Pey Yang	150,000 – 200,000	180,000 – 230,000

Note:

- * *Excluding bonuses for FYE 2024 which will be determined at a later date based on their respective performance review, subject to the recommendation of our Nomination and Remuneration Committee and approval of our Board.*

The remuneration of our Key Senior Management, which includes salaries, bonus and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Datin Eloise, our Promoter, substantial shareholder and Group Managing Director, and Ivy See, our substantial shareholder, are sisters.

Save as disclosed above, there are no family relationships and associations among our Promoter, substantial shareholders, Directors and Key Senior Management as at the LPD.

5.7 EXISTING AND PROPOSED SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or Key Senior Management has any existing or proposed service agreement which provide for benefits upon termination of employment with our Group.

5.8 DECLARATIONS BY OUR PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoter, Directors and Key Senior Management is or was involved in any of the following events, whether within or outside Malaysia:

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

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

- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his or her part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him or her from engaging in any type of business practice or activity;
- (vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; and
- (viii) any unsatisfied judgment against such person.

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6. INFORMATION ON OUR GROUP

6.1 HISTORY AND BACKGROUND

Our Company was incorporated in Malaysia under the Act on 20 February 2019 as a private limited company under the name KHPT Holdings Sdn Bhd and was subsequently converted into a public limited company on 1 March 2024 and assumed our present name.

We are an investment holding company. Through our Subsidiary, we are principally involved in manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts). Please refer to Section 7.1.1 of this Prospectus for more details of the principal activity of our Subsidiary.

The history of our Group's involvement in the manufacturing and sale of automotive parts and components can be traced back to the incorporation of KHEI in 1994 by See Ming Hoi and Tiu Kuang Hong. See Ming Hoi was our managing director up until his retirement in 2018, and since then, he is no longer involved in the management and operations of our Group. On the other hand, Tiu Kuang Hong is our substantial shareholder and Technical Director of AGSB, with further details of his profile set out in Section 5.1.3(ii) of this Prospectus. The key events and milestones of our history and development of our business are as follows:

Year	Key events and milestones
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1995	<ul style="list-style-type: none"> KHEI commenced business operations in the manufacturing and sales of automotive absorber parts to Tier 1 Suppliers/Manufacturers, namely Proton and Perodua. Under this arrangement, we serve a role of Tier 2 Supplier/Manufacturer where our absorber parts are sold to Tier 1 Suppliers/Manufacturers for further processing and assembly with other parts and components prior to be supplied to local automotive manufacturers for assembly of new automotive vehicles in production market, and/or to replacement market for use as spare parts. This first sale of automotive absorber parts was secured from Customer Group A, an automotive part and component manufacturer and assembler, who is also a Tier 1 Supplier/Manufacturer of Proton and Perodua. Customer Group A has remained as our major customer in the Financial Periods Under Review. The manufacturing operations were carried out from a factory located in Kuala Langat, Selangor ("Kuala Langat factory"), with a built-up area of approximately 2,768.51 sq m, which was owned by See Ming Hoi at that time.
1996	<ul style="list-style-type: none"> Kah Hong Precision Tooling Sdn Bhd (now known as AGSB) was incorporated by 2 founding shareholders, namely See Ming Hoi and Tiu Kuang Hong. AGSB was founded with the intention of venturing into the manufacturing and sale of commercial lighting metal components. AGSB remained dormant until 1998.
1998	<ul style="list-style-type: none"> AGSB commenced business in the manufacturing of commercial lighting metal components for the commercial lighting industry. The manufacturing operations were carried out from the Kuala Langat factory.
2001	<ul style="list-style-type: none"> We expanded our product offerings to include the manufacturing and sale of automotive seat structural parts, under AGSB. We secured our first sale of automotive seat structural parts from Customer Group A. This was AGSB's first engagement in the manufacturing and sale of automotive parts. Subsequent to this, all new sales engagements by customers and our business expansions in relation to the manufacturing and sale of automotive parts and components have been handled by AGSB, while the manufacturing operations under KHEI for existing sales engagements had remained with KHEI until 2018 when all operations under KHEI were transferred to AGSB.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2003	<ul style="list-style-type: none"> • See Ming Hoi's daughter, Datin Eloise, who is presently our Group Managing Director, joined our Group as Business Development Executive. Please refer to Section 5.1.3 (i) of this Prospectus for the profile of Datin Eloise. • We expanded our service offerings when we invested in robotic welding machines to offer sub-assembly services. With this service expansion, we began performing welding of seat structural parts manufactured in-house to form seat structures, to be supplied to our customers as automotive seat components. Prior to this, all seat structural parts manufactured in-house were supplied to our customers as individual parts. • AGSB received the ISO 9001:2000 quality management system for the manufacturing of stamped metal parts.
2007	<ul style="list-style-type: none"> • We relocated our business operations to a larger premises at TPG Factory, with a built-up area of approximately 16,312.87 sq m. It was initially a rented property and was later acquired in 2018. This premises has since become our headquarters and factory.
2008	<ul style="list-style-type: none"> • We expanded our product offerings to include the manufacturing and sale of an automotive engine part, namely drive plates. We secured our first sale from Sapura Machining Corporation Sdn Bhd, a manufacturer of automotive components and a Tier 1 Supplier/Manufacturer of Proton and Perodua, who remained our major customer in the FYEs 2021 and 2023. • We ceased the manufacturing of commercial lighting products to focus on our core operations in the automotive industry.
2009	<ul style="list-style-type: none"> • We further expanded our product offerings to include the manufacturing and sale of automotive body parts such as rear frames as well as reinforcement C pillars and panels. We secured our first sale of automotive body parts from Autokeen Sdn Bhd, an automotive components manufacturer and sub-assembler as well as a Tier 1 Supplier/Manufacturer of Proton and Perodua. Autokeen Sdn Bhd has remained our major customer in the Financial Periods Under Review. • AGSB received the ISO 9001:2008 quality management system for the manufacturing of stamped metal parts, which is the revised version of ISO 9001:2000.
2010 - 2015	<ul style="list-style-type: none"> • Throughout the years, we continuously expanded our product offerings under the segment of automotive body parts to include other body parts such as fuel tanks, box fuel inlets and heat protectors. However, the aforementioned automotive body parts are no longer in production due to cessation of such offerings to optimise our return, or discontinuity of the respective automotive models in the market. Notwithstanding this, throughout the years, we have continued to secure orders for other automotive body parts as disclosed in Section 7.1.2(a) of this Prospectus. • During the period, we also focused on expanding our manufacturing capacity, strengthening relationships with our customers and suppliers as well as improving and enhancing our internal management and operational processes.
2016	<ul style="list-style-type: none"> • We were appointed to manufacture and supply automotive body parts directly to Perodua in the form of blanked pieces, where these blanked pieces were used by Perodua for further stamping to form body parts for the assembly of Bezza model. This marked our first appointment as Tier 1 Supplier/Manufacturer of Perodua. • AGSB obtained the ISO/TS 16949:2009 quality management systems for automotive production and relevant service part organisations, under the scope

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
	of the manufacturing of metal stamp parts and sub-assembly of metal components, which was in conjunction with ISO 9001:2008. The 'metal stamp parts' under the scope of this certificate is the same as the 'stamped metal parts' under the scope of ISO 9001:2000 and ISO 9001:2008 certificates received in 2003 and 2008 respectively, as our principal activities in the manufacturing of automotive part and components has remained the same over the years.
2017	<ul style="list-style-type: none"> AGSB won the Golden Bull Award 2017 for Outstanding SMEs at the 11th Malaysia Outstanding SMEs Award organised by Business Media International Sdn Bhd and Sphere Exhibits Malaysia Sdn Bhd.
2018	<ul style="list-style-type: none"> Datin Eloise assumed the position as managing director of AGBS, continuing to spearhead and steer the growth of our Group. In the same year, Datin Eloise acquired See Ming Hoi's entire equity interest in AGBS. AGSB obtained the IATF 16949:2016 quality management systems for automotive production and relevant service part organisations under the scope of the manufacturing of metal stamp parts and sub-assembly of metal components. Our operations under KHEI were transferred to AGBS to streamline and consolidate all our business operations under 1 entity. Since then, KHEI has ceased operations in relation to the manufacturing of automotive parts and components and began its business in the supply of labour services. Subsequently in 2023, KHEI ceased its business in the supply of labour services and is dormant as at the LPD. See Ming Hoi obtained entire equity interest in KHEI, resulting in See Ming Hoi becoming the sole shareholder of KHEI holding 100% equity interest.
2020	<ul style="list-style-type: none"> We were appointed to manufacture and supply automotive body parts to Proton directly for the assembly of Iriz model. This marked our first appointment as Tier 1 Supplier/Manufacturer of Proton.
2023	<ul style="list-style-type: none"> Our subsidiary, previously known as Kah Hong Precision Tooling Sdn Bhd underwent a name change and is presently known as AGBS.
2024	<ul style="list-style-type: none"> AGSB was awarded the Proton Best Supplier Quality Score Card (SQSC) Performance Quarter 1 2024, showcasing our Group's dedication to upholding performance in terms of product quality and timely delivery.

The shareholding changes of AGBS are as follows:

Year	Events
1996	<ul style="list-style-type: none"> AGSB was incorporated on 25 September 1996 by 2 founding shareholders, namely See Ming Hoi (50.00%) and Tiu Kuang Hong (50.00%).
1999	<ul style="list-style-type: none"> On 5 April 1999, See Ming Hoi and Tiu Kuang Hong subscribed for new shares in AGBS. Their equity interest held in AGBS changed to See Ming Hoi holding 92.50% and Tiu Kuang Hong holding 7.50%.
2002	<ul style="list-style-type: none"> On 29 January 2002, See Ming Hoi and Tiu Kuang Hong subscribed for new shares in AGBS respectively, with their equity interest remaining the same (i.e. See Ming Hoi holding 92.50% and Tiu Kuang Hong holding 7.50%).
2010	<ul style="list-style-type: none"> On 15 March 2010, See Ming Hoi and Tiu Kuang Hong subscribed for new shares in AGBS respectively, with their equity interest continuing to remain the same (i.e. See Ming Hoi holding 92.50% and Tiu Kuang Hong holding 7.50%).

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Events
2018	<ul style="list-style-type: none"> On 19 June 2018, Datin Eloise acquired See Ming Hoi's entire equity interest in AGSB. Hence, equity interest in AGSB changed to Datin Eloise holding 92.50% and Tiu Kuang Hong holding 7.50%.
2023	<ul style="list-style-type: none"> On 27 December 2023, Ivy See acquired 5.00% of equity interest in AGSB from Datin Eloise, whereby equity interest in AGSB changed to Datin Eloise holding 87.50%, Tiu Kuang Hong holding 7.50% and Ivy See holding 5.00%.
2024	<ul style="list-style-type: none"> On 7 February 2024, to facilitate the Listing, Datin Eloise, Tiu Kuang Hong and Ivy See disposed all their equity interest in AGSB to KHPT. As at LPD, AGSB is a wholly-owned subsidiary of KHPT.

6.2 SHARE CAPITAL

As at the LPD, the share capital of our Company is RM31,724,150 comprising 293,742,113 Shares.

The changes in the share capital of our Company since its incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Type of Issue / Consideration	No. of cumulative Shares	Cumulative share capital (RM)
20 February 2019	2	Cash / Subscriber's share	2	2
8 January 2024	293,742,111	Otherwise than cash / Consideration for the Acquisition	293,742,113	31,724,150

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

Upon the completion of our IPO, our enlarged issued share capital will increase from RM31,724,150 comprising 293,742,113 Shares to RM53,453,010 comprising 402,386,413 Shares.

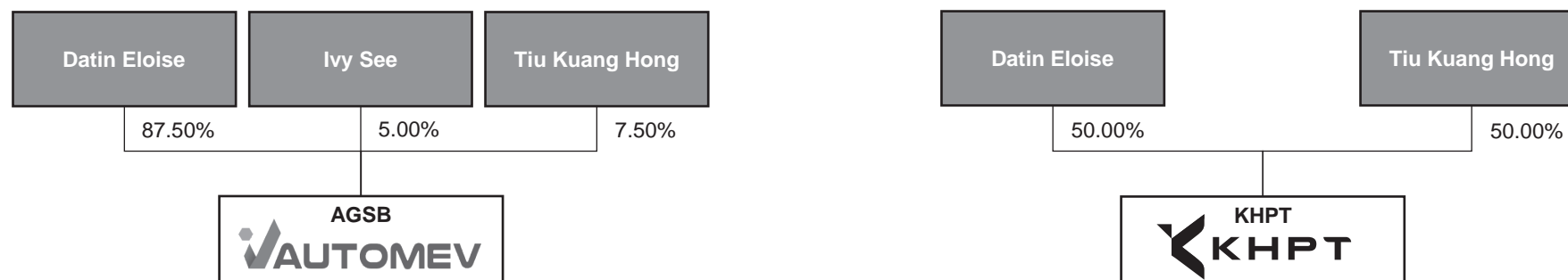
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6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

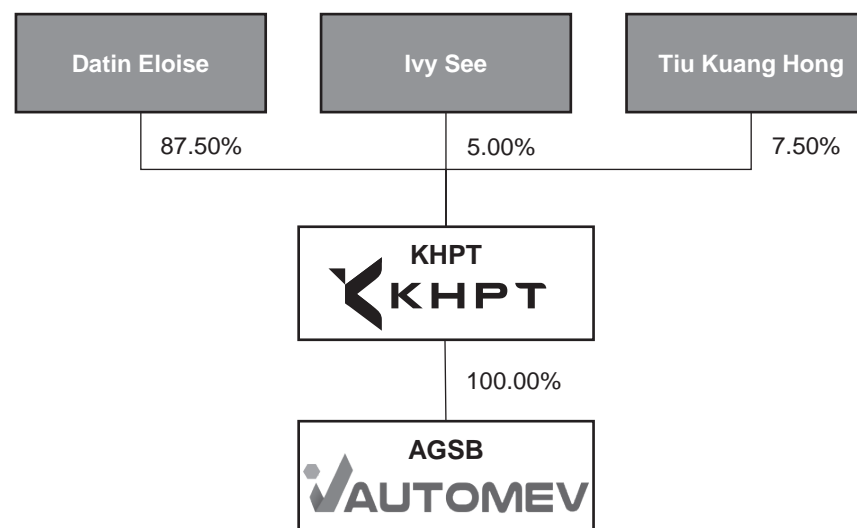
Our Group structure is as follows:

Before the Acquisition



After the Acquisition and before our IPO

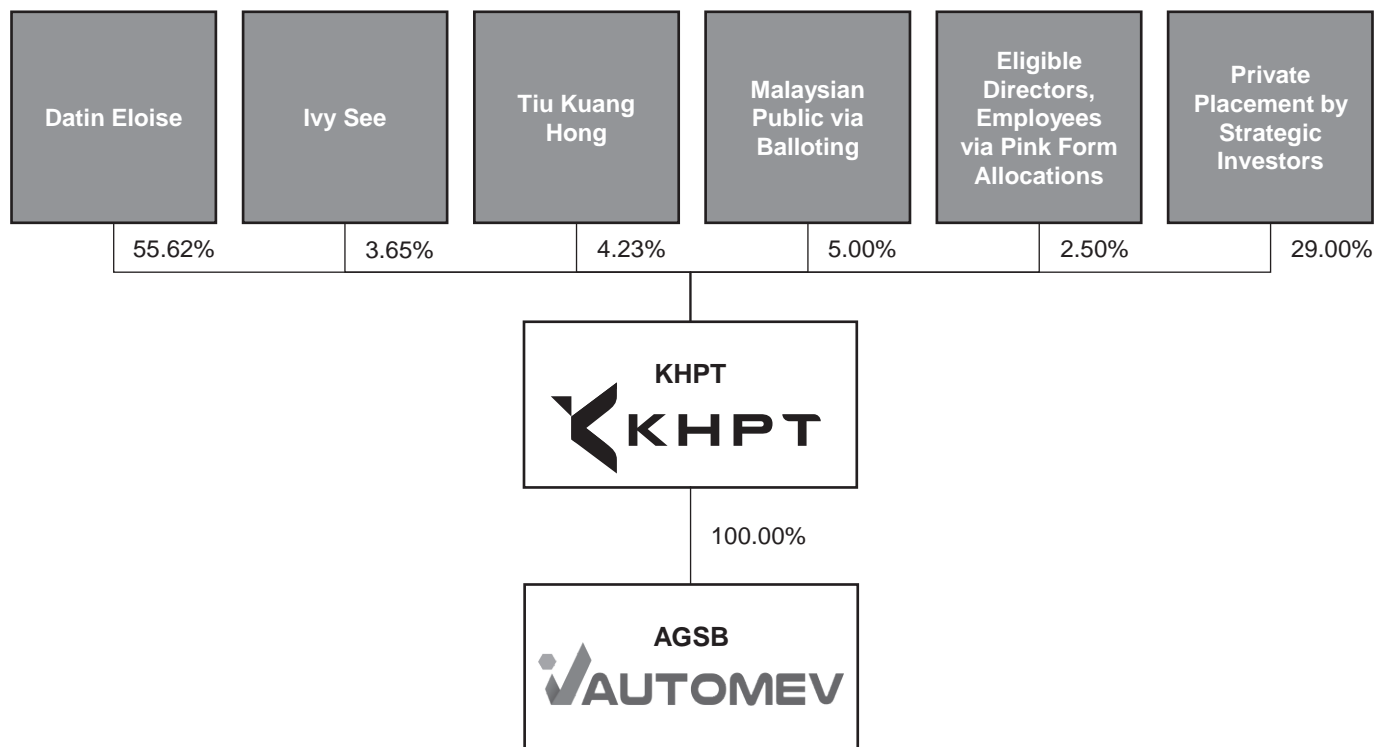
Our Group structure including our Subsidiary after the Acquisition and before our IPO is as follows:



6. INFORMATION ON OUR GROUP (Cont'd)

After our IPO

Our Group structure including our Subsidiary after our IPO is as follows:



6. INFORMATION ON OUR GROUP (Cont'd)**6.4 INFORMATION ON OUR SUBSIDIARY**

The details of our Subsidiary as at the LPD is summarised as follows:

Name and Registration number	Date of incorporation	Country of incorporation	Effective equity interest (%)	Principal activities / Principal place of business
AGSB (199601031222 (403574-H))	25 September 1996	Malaysia	100.00	Manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts) / Lot 2228, Jalan Kasawari, Kawasan Perusahaan Kebun Baru, Batu 9, Kg. Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan

Further details of our Subsidiary as at the LPD are set out below.

6.4.1 AGSB**(i) Background and history**

Our Subsidiary was incorporated in Malaysia under the Companies Act 1965 on 25 September 1996 as a private limited company under the name of Kah Hong Precision Tooling Sdn Bhd and is deemed registered under the Act. It subsequently changed its name to AGSB on 9 June 2023.

AGSB is principally involved in the manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts).

(ii) Share capital

As at the LPD, the issued share capital of AGSB is RM250,000 comprising 250,000 ordinary shares. There has been no change in the issued share capital of AGSB for the past 3 years preceding the LPD.

(iii) Substantial shareholder and directors

The directors of AGSB are Datin Eloise, Ivy See and Tiu Kuang Hong.

(iv) Subsidiary, associate company and joint venture

AGSB is our wholly owned direct subsidiary. AGSB does not have any subsidiary, associate company or joint venture as at LPD.

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

6. INFORMATION ON OUR GROUP (Cont'd)**6.5 INTERNAL RESTRUCTURING****(i) Shareholding Restructuring**

On 9 August 2023, Datin Eloise, being one of the existing shareholders of AGSB entered into a conditional share sale agreement with Ivy See for the transfer of 12,500 AGSB Shares to Ivy See. Further details of the Shareholding Restructuring are set out below:

Shareholders	Before the Shareholding Restructuring	% of share capital	Acquisition / (Disposal)	After the Shareholding Restructuring	% of share capital
	No. of shares	%	No. of shares	No. of shares	%
Datin Eloise	231,250	92.50	(12,500)	218,750	87.50
Tiu Kuang Hong	18,750	7.50	-	18,750	7.50
Ivy See	-	-	12,500	12,500	5.00
	250,000	100.00	-	250,000	100.00

The purchase consideration for the Shareholding Restructuring of approximately RM1.41 million is arrived at a willing buyer-willing seller basis after taking into consideration the audited NA of AGSB as at 31 December 2022 of approximately RM28.12 million based on its audited financial statements for the FYE 2022.

The transfer of AGSB Shares to Ivy See is to recognise her past contributions as well as for her continuous contribution to our Group.

The Shareholding Restructuring did not involve the issuance of any new Shares and was completed on 27 December 2023.

(ii) Acquisition

On 28 December 2023, the Company entered into a conditional share sale and purchase agreement with the vendors of AGSB, namely Datin Eloise, Tiu Kuang Hong and Ivy See to acquire the entire issued share capital of AGSB of RM0.25 million comprising 250,000 AGSB Shares for a purchase consideration of approximately RM31.72 million, which was entirely satisfied by the issuance of 293,742,111 new Shares on 8 January 2024, at an issue price of RM0.108 per Share to Datin Eloise, Tiu Kuang Hong and Ivy See as illustrated in the table below:

Vendors of AGSB	No. of AGSB Shares disposed	% of shareholding held in AGSB	Purchase Consideration (RM)	No. of Shares issued
Datin Eloise	218,750	87.50	27,758,630	257,024,352
Tiu Kuang Hong	18,750	7.50	2,379,311	22,030,657
Ivy See	12,500	5.00	1,586,207	14,687,102
	250,000	100.00	31,724,148	293,742,111

The purchase consideration was arrived at a willing buyer-willing seller basis and after taking into consideration the audited NA of AGSB as at 30 September 2023 of approximately RM31.72 million. The Acquisition was completed on 7 February 2024 and AGSB has become a wholly-owned subsidiary of the Group.

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

6. INFORMATION ON OUR GROUP (Cont'd)**6.6 LISTING SCHEME**

In conjunction with and as an integral part of our Listing, our Company undertook a Listing Scheme which involved the following:

(i) IPO

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

(ii) Listing of and quotation for our Shares

Upon completion of our Listing Scheme, our Company will be admitted to the Official List and our entire enlarged issued share capital of 402,386,413 Shares shall be listed and quoted on the ACE Market.

6.7 MATERIAL INVESTMENTS AND DIVESTITURES**6.7.1 Material investments**

Save as disclosed below, our Group has not made any other material investments during the Financial Periods Under Review and up to the LPD:

Description	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FPE 2024 (RM'000)	Between 1 July 2024 up to the LPD (RM'000)
Plant and machinery ⁽¹⁾	113	171	3,768	168	41
Renovation ⁽²⁾	-	599	1,063	3	0
	113	770	4,831	171	41

Notes:

- (1) Purchase of machinery including electronic pit type concrete deck weighbridge platform, cutting machine, polish vibratory machine, hydraulic press machine, auto stacker equipment and spot welding machine. The increase in material investments in FYE 2023 is mainly due to the purchase of new press machine (amounting to approximately RM2.51 million) and the upgrade of the existing machines' motor to servo motor (amounting to approximately RM1.26 million) for better energy management.
- (2) Renovation (including installation of underground cable and cable tap) and relocation of seating line project (strategically placed to improve efficiency in relation to logistics of raw material and finished goods) at our TPG Factory in FYE 2022 and installation of new blanking line at our TPG Factory in FYE 2023.

All of the above material investments are located in Malaysia and were funded via internally generated funds.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7.2 Material divestitures

AGSB entered into a sale and purchase agreement dated 1 August 2023 with Chan Fook Long (as purchaser) for the sale of Lot 2625 for a cash consideration of RM3.78 million. The transaction was completed on 31 January 2024.

The disposal consideration of the Lot 2625 was based on willing buyer willing seller, where our Group agreed to dispose below its latest book value due to the following:

- (i) Lot 2625 (which is agriculture land and lack proper infrastructure) is not suitable for the Group's expansion plan;
- (ii) AGSB intended to sell Lot 2625 in prior years but was unable to secure any buyer until the existing buyer offered to purchase Lot 2625 below its latest book value and AGSB subsequently accepted the said offer; and
- (iii) Despite selling below its latest book value, the initial cost of acquisition of Lot 2625 in 1999 was significantly lower, RM0.38 million as compared with the selling price of RM3.78 million.

There were no other material divestitures during the Financial Periods Under Review and up to the LPD.

6.8 PUBLIC TAKE-OVERS

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

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

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7. BUSINESS OVERVIEW

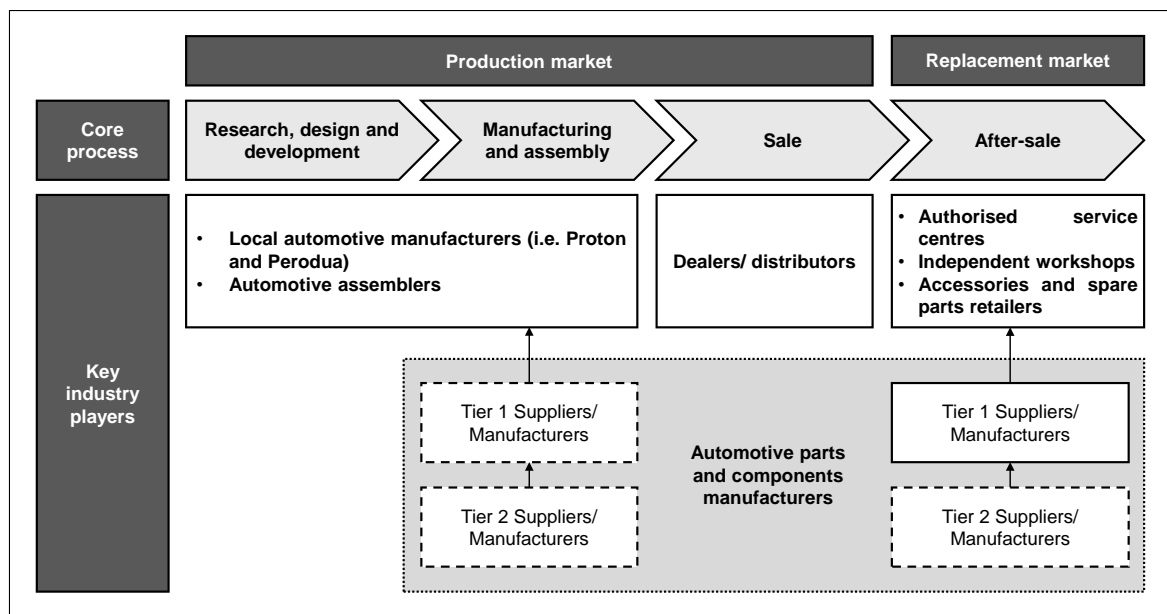
7.1 PRINCIPAL ACTIVITIES AND PRODUCTS

7.1.1 Principal business activities

We are principally involved in the manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts). We are engaged by our customers to manufacture customised automotive parts and components according to our customers' requirements and precise technical specifications. Please refer to Section 7.1.2 of this Prospectus for further information on our products.

These automotive parts and components are used in the assembly of new automotive vehicles for the production market, or as spare parts for service, repair and maintenance of used vehicles in the replacement market.

The value chain of the automotive industry in Malaysia is as follows:



Note:

[- - -] Indicates involvement of our Group in the automotive production market and replacement market in Malaysia.

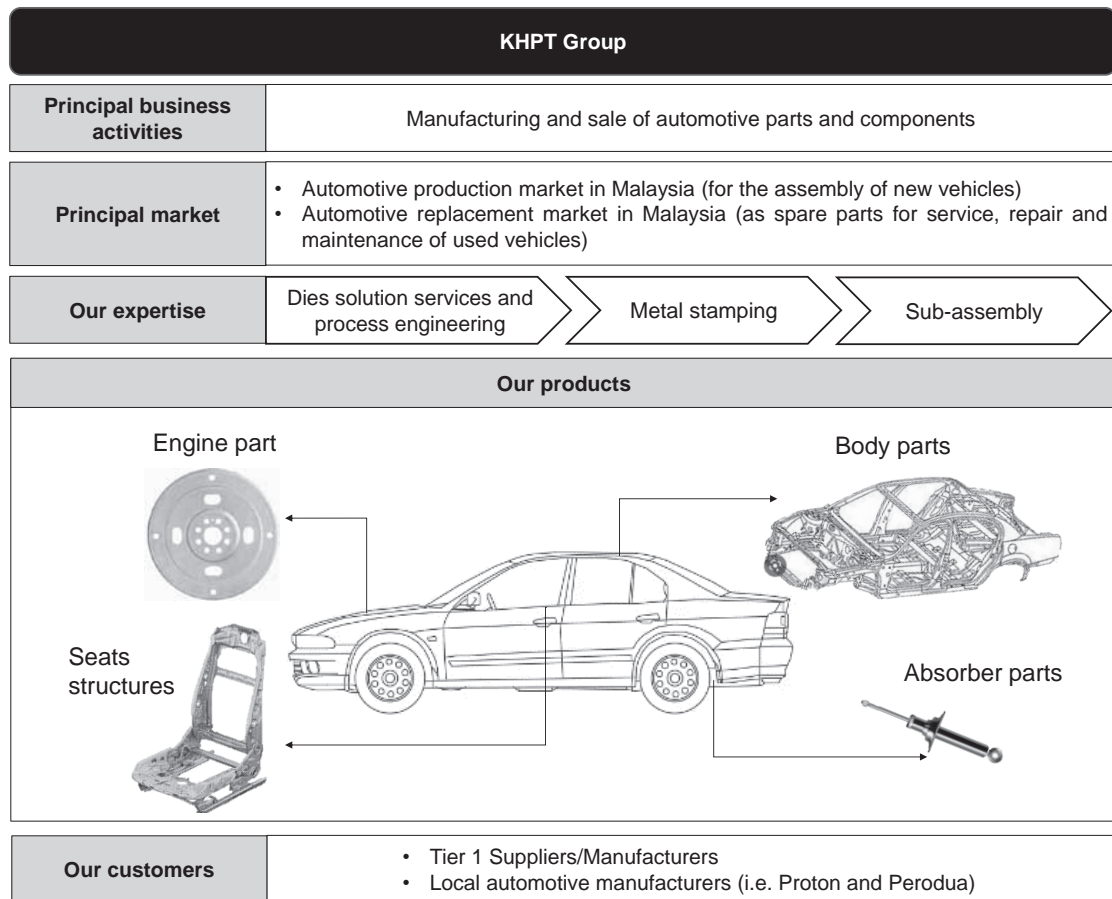
Our customers comprise:

- Tier 1 Suppliers/Manufacturers, whereby we manufacture and sell automotive parts and components as a Tier 2 Supplier/Manufacturer to these Tier 1 Suppliers/Manufacturers. Our automotive parts and components will be used by these Tier 1 Suppliers/Manufacturers for further processing and/or assembly with other parts and components prior to supply to local automotive manufacturers for assembly of new vehicles, or as spare parts to authorised service centres for service, repair and maintenance of used vehicles; and
- local automotive manufacturers (i.e. Proton and Perodua), whereby we manufacture and sell automotive parts and components as a Tier 1 Supplier/Manufacturer directly to these local automotive manufacturers.

7. BUSINESS OVERVIEW (Cont'd)

Our role as a Tier 1 Supplier/Manufacturer or a Tier 2 Supplier/Manufacturer depends on customers who engage us for the manufacturing of automotive parts and components, and it varies across different vehicle models based on our customer arrangements. We serve a role of Tier 1 Supplier/Manufacturer when local automotive manufacturers engage us directly for automotive parts and components manufacturing; or a role of Tier 2 Supplier/Manufacturer when other Tier 1 Suppliers/Manufacturers engage us for automotive parts and components manufacturing. Please refer to Section 7.1.3 of this Prospectus for further information on our customers.

Our business model is depicted in the diagram below:



Our expertise and capabilities in the manufacturing of automotive parts and components cover a wide range of aspects from dies solution services and process engineering to metal stamping and sub-assembly, with details as follows:

(i) Dies solution services and process engineering

We design and develop the dies and jigs as well as the manufacturing process for the manufacturing of our automotive parts and components.

Our provision of dies solution services includes designing and manufacturing dies used in metal stamping process, and jigs used in welding and quality checking process. We design the 3-dimensional (“3D”) engineering drawings of dies and jigs with detailed specifications in terms of dimensions, geometric properties and acceptable tolerance, using computer-aided design (“CAD”) software. These 3D engineering drawings are designed in accordance with the 2-dimensional (“2D”) drawings of parts and components provided by our customers.

7. BUSINESS OVERVIEW (Cont'd)

Our dies solution services also include the fabrication of dies and jigs, where we manufacture dies and jigs in-house through computer numerical control (“CNC”) machines and wire cut machines together with computer aided manufacturing (“CAM”) software. Manufacturing of dies and jigs also involves prototyping prior to fabrication, as well as testing prior to the commissioning of the dies and jigs in metal stamping process. By having in-house fabrication expertise, we have more control over the quality of the dies and jigs; as well as have greater flexibility as we are able to maintain, repair and make further changes to the dies and jigs following any adjustments to the designs in a timely manner.

Our dies solution services form part of our revenue stream, and are carried out whenever:-

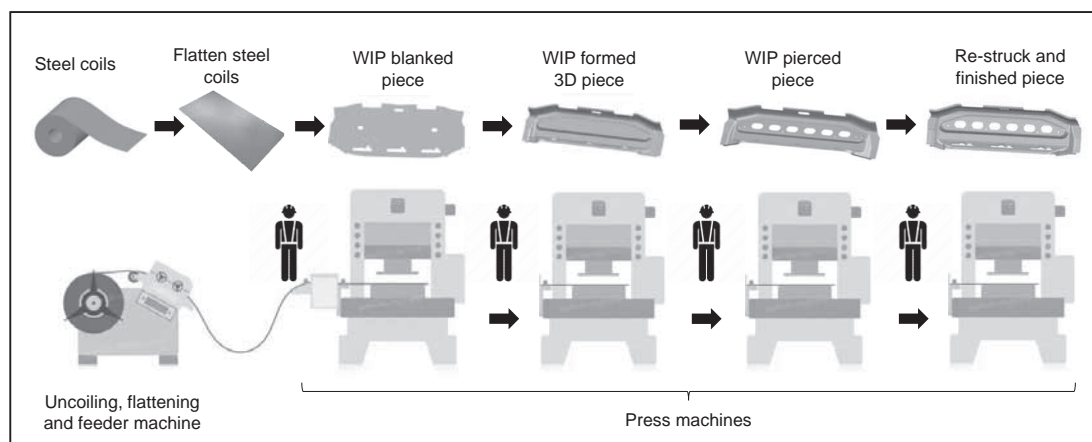
- there are new automotive parts and components to be manufactured;
- there are changes to the specifications of existing automotive parts and components; and
- there are changes of automotive platform by automotive manufacturers, which could lead to new automotive parts and components required to be manufactured.

Process engineering involves planning, designing and developing metal stamping processes such as blanking, forming, piercing and re-striking to optimise the entire stamping processes. Generally, flat steel sheets, which are the key raw materials used in the manufacturing of automotive parts and components, will undergo multiple stamping strokes during metal stamping processes using different shapes of dies, to form final products. Our process engineering aims to design optimised stamping process in terms of stamping flow and sequence, as well as to achieve minimal number of stamping strokes and to develop suitable dies that can complete multiple steps in each stamping stroke, which subsequently shortens overall manufacturing times and enhances cost-efficiency. Our technical capability in process engineering allows us to add-value to our customers by providing cost-saving manufacturing services while providing quality products.


(ii) Metal stamping

We manufacture automotive parts and components using metal stamping technique, which is a cold forming process that uses dies to transform a flat sheet of metal (in coil or blank form) into desired shapes and dimensions. Metal stamping enables us to produce automotive parts at high-volume that are consistent in shape and dimension which adhere to precise specifications and tolerances (i.e. variation of up to 1 micron range) as required by our customers. It is critical to maintain accuracy and consistency in our automotive parts to ensure smooth assembly processes which will be carried out by our customers.

Metal stamping includes blanking, forming, piercing and restriking. An illustration of a metal stamping production line is as shown below:



Note:

 Indicates technical and production workers involved in operating machines and/or transferring WIP pieces between press machines.

7. BUSINESS OVERVIEW (Cont'd)

The details of each process under metal stamping (i.e. blanking, forming, piercing and restriking) are as detailed below:

Metal stamping process

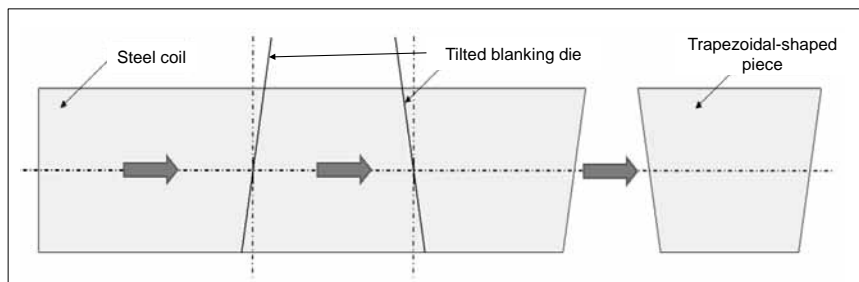
Description

Blanking



A process where metal sheets (usually in coil form) are loaded into feeder machines for uncoiling, flattening and feeding into press machines equipped with blanking dies to stamp the metal sheets into the desired shapes and sizes.

We can also configure our press machines to tilt the blanking dies for each press to conduct trapezoid blanking, which is used to blank trapezoidal-shaped pieces. This allows us to maximise the usage of raw materials in blanking process. An illustration of trapezoid blanking using a tilted blanking die is as follows:



Blanking is an important process during metal stamping as the usage of raw materials can be maximised by cutting multiple workpieces in a specific shape and dimension from metal sheets. This minimises the need for additional piercing and trimming, hence enabling us to speed up our manufacturing process whilst reducing raw material wastage and production cost.

Blanked pieces can either be sent to undergo forming, piercing and restriking processes for further shaping and/or cutting, or can be deemed finished parts and delivered to customers.

Forming



A process where the blanked pieces are fed into press machines equipped with forming dies that stamp the blanked pieces to create curves, bends, shapes and/or cavities. This process pulls, stretches and shapes 2D blanked pieces into 3D pieces.

Depending on the manufacturing process designed, there may be several forming cycles involved where blanked pieces may undergo several forming processes through several press machines equipped with different forming dies in order to form the desired shapes.

Formed 3D pieces can either be sent to undergo other stamping processes (i.e. piercing and/or restriking), or can be deemed finished parts and delivered to customers.

7. BUSINESS OVERVIEW (Cont'd)

Metal stamping process

Description

Piercing



A process where the formed 3D pieces are fed into press machines equipped with piercing dies that stamp the pieces to cut holes or slots in different shapes. This process is also used to trim surplus edges from the pieces.

Pierced pieces can either be sent to undergo restriking as the last stage of the metal stamping process, or can be deemed finished parts and delivered to customers. Pierced pieces may also be sent to undergo finishing processes by our subcontractors prior to be delivered to our customers.

Restriking



A process where the formed 3D or pierced pieces are fed into press machines equipped with restriking dies to refine the features (e.g. deepening the existing cavity and/or minor bending). This process is critical to maintain the accuracy and consistency of our automotive parts. Following this stage, the pieces can either be deemed finished parts and delivered to customers, or be sent to undergo finishing processes by our subcontractors prior to be delivered to our customers.

Metal stamping processes which comprise blanking, forming, piercing and restriking can be performed separately using different dies equipped in various press machines for each respective process, which is known as tandem dies; or be performed using progressive dies, which are designed to perform several metal stamping processes in a continuous and progressive form using a single die in a single press machine. The details of metal stamping processes using tandem dies and progressive dies are as follows:

Dies used in metal stamping

Description

Tandem dies

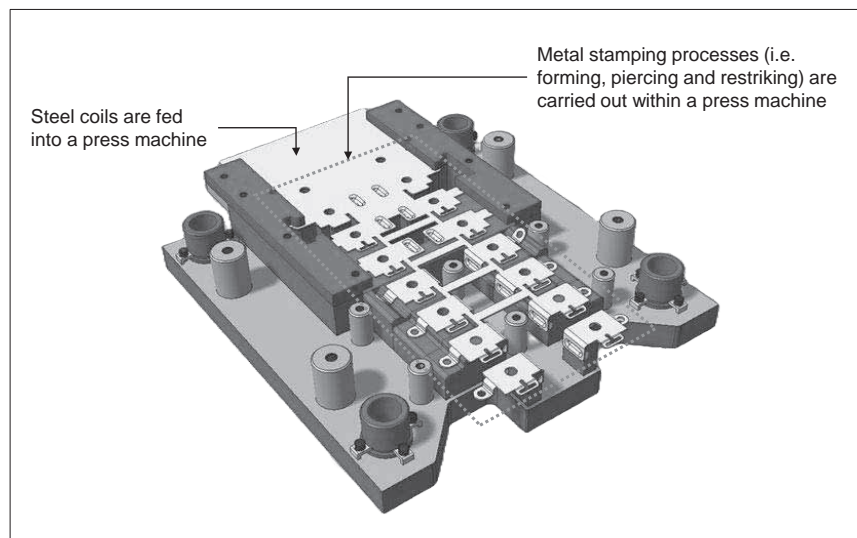
The usage of tandem dies in metal stamping requires manual transfer of WIP parts between press machines equipped with different dies to complete the entire metal stamping process. Depending on the complexity and specifications of the automotive parts, each workpiece generally passes through 4 to 6 press machines where each press machine is installed with different dies to form different curves, bends or shapes.

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7. BUSINESS OVERVIEW (Cont'd)

Dies used in metal stamping	Description
Progressive dies	Metal stamping using progressive dies involves a feeder or a conveyor that continuously feeds a strip of steel coil into a press machine equipped with a progressive die. As the steel coil moves along the press machine, several metal stamping processes are performed concurrently and the output pieces can be deemed finished parts and delivered to customers. Metal stamping using progressive dies is an automated process which eliminates the need for manual transfer of WIP parts between press machines, thus increasing manufacturing efficiency and achieving cost savings.

An illustration of metal stamping using progressive dies is as shown below:



Generally, we use tandem dies for the manufacturing of automotive body parts (e.g. door panels); and we use both tandem dies and progressive dies for the manufacturing of seat structures and other parts (i.e. absorber parts and engine parts).

During metal stamping processes, pieces of excess materials (i.e. steel scrap) are collected and sold to licensed scrap recycling/collecting companies, which also contributes to our Group's revenue.

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7. BUSINESS OVERVIEW (Cont'd)

(iii) Sub-assembly services

We also provide sub-assembly services upon request by customers, where we assemble two or more automotive parts manufactured by us to form sub-assembled components prior to delivery to customers. Our sub-assembly services, which comprise Co2 arc welding and spot welding, are provided to complement our manufacturing services, with details as follows:

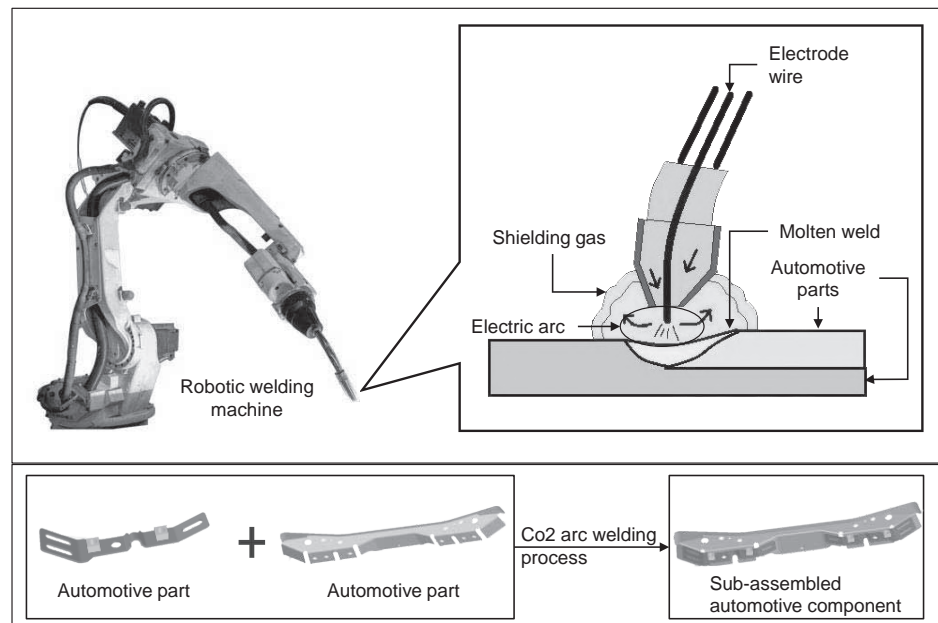
Types of sub-assembly

Description

Co2 arc welding

A process where two or more automotive parts, which are held in place by welding jigs, are fused together through heat applications. Electric current is directed through an electrode wire to generate heat, also known as an electric arc, which melts the electrode wire and the automotive parts, creating a molten weld that joins the automotive parts together to form a sub-assembled automotive component. During this process, a shielding gas (i.e. Co2) is released to protect the molten weld from oxidation and contamination, as well as to maintain the stability of the electric arc. Our Co2 arc welding activities are conducted using our robotic welding machines.

An illustration of Co2 arc welding process is as shown below:



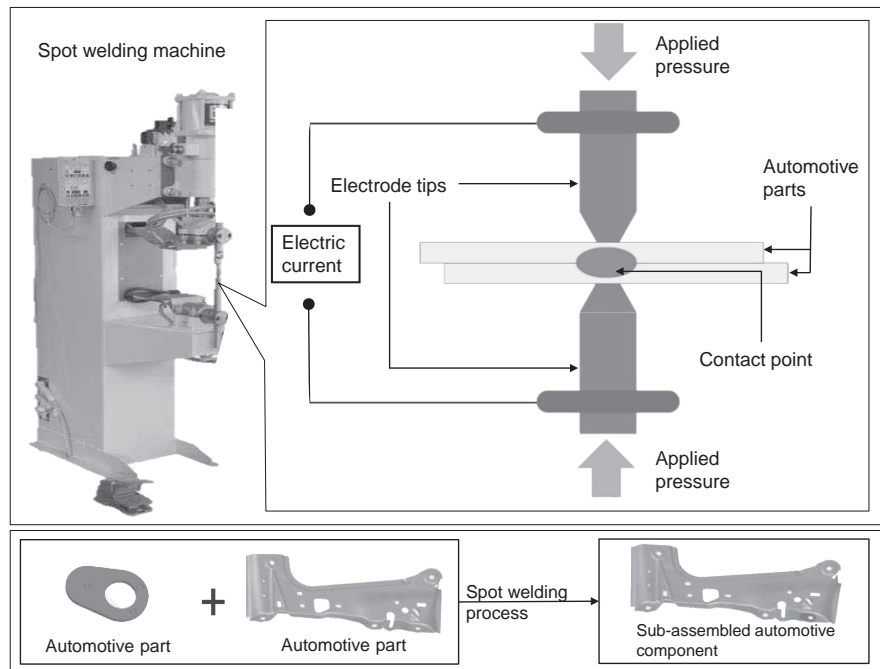
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7. BUSINESS OVERVIEW (Cont'd)

Types of sub-assembly	Description
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Spot welding	A process where two or more automotive parts, which are held in place by welding jigs, are fused together by the application of heat and pressure. Electric current is directed into the electrode tips and pressure is also applied through the electrode tips. Pressure and electric current are applied to generate heat at the contact point to form a sub-assembled automotive component. Our spot welding activities are conducted manually.
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An illustration of spot welding process is as shown below:



The manufacturing of automotive parts and sub-assembly of components are carried out in-house. Nevertheless, we outsource finishing processes (i.e. electrophoretic Deposition (“ED”) coating and plating, Zinc plating and black plating) to third party subcontractors. These finishing processes are generally not commonly requested by our customers and thus, it is more cost effective to outsource these services and as we are not required to invest in in-house capabilities to provide these finishing services.

Our manufacturing and sale of automotive parts and components to customers generally cover from dies solution and process engineering to metal stamping and sub-assembly (if required). We also provide metal stamping services solely to customers upon request, whereby we perform metal stamping to manufacture parts and components using stamping dies and raw materials provided by our customers.

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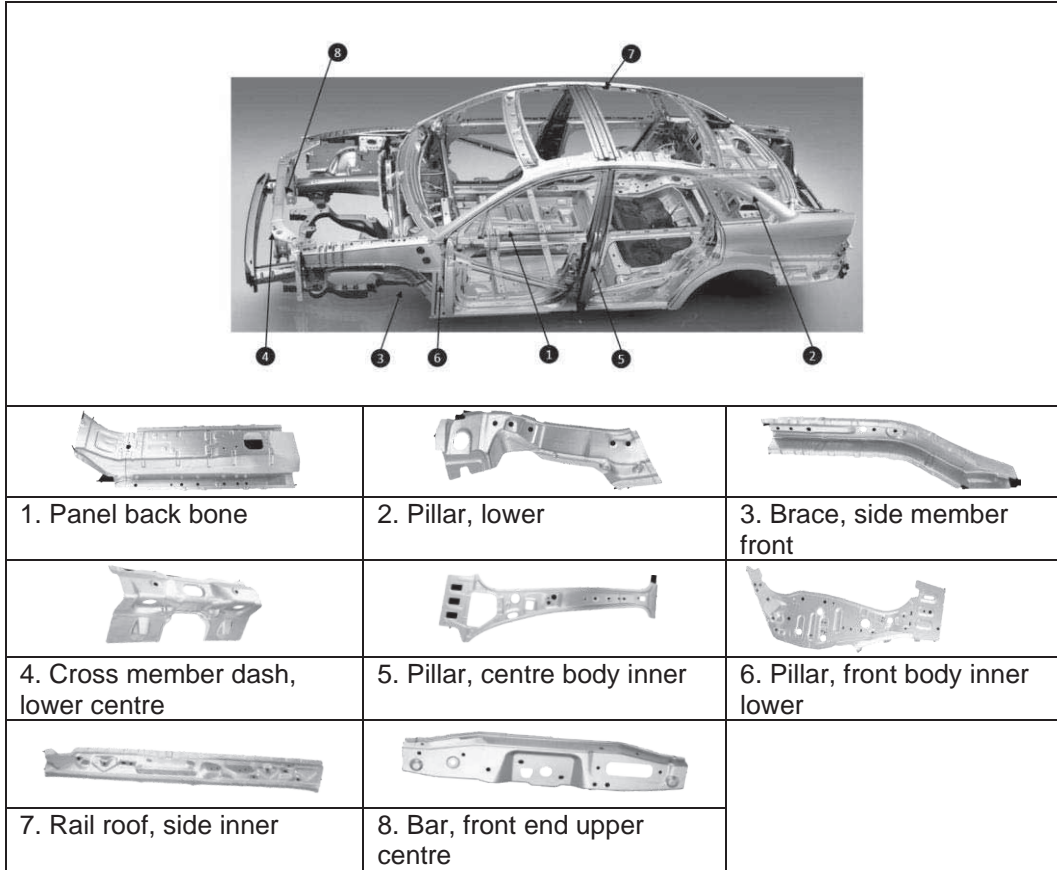
7. BUSINESS OVERVIEW (Cont'd)

7.1.2 Our products

Automotive parts and components, namely body parts, seat structures and other parts (i.e. engine part and absorber parts), manufactured by us are steel metal stamped parts and components used to form the inner structures of automotive vehicles, focusing on passenger vehicles.

Examples of automotive parts and components manufactured by us under each segment (i.e. body parts, seat structures and other parts) are as follows:

(a) Body parts



Note:

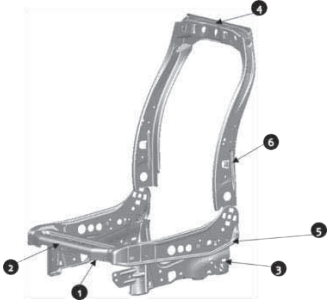






- (1) *The parts and components shown above are some examples of body parts manufactured by us. It is not an exhaustive list and does not purport to represent all body parts manufactured by our Group.*

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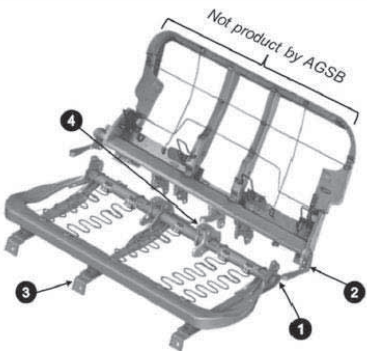




7. BUSINESS OVERVIEW (Cont'd)

(b) Seats structures

i) Driver seat and front passenger seat

		
		
1. Lever, seat track lock	2. Panel, front seat cushion	3. Bracket, outer seat track
		
4. Frame, front seat back upper	5. Bracket, front seat cushion	6. Frame, front seat back

ii) Rear seat

		
		
1. Hinge, rear right seat back	2. Lever, vertical adjuster lock	3. Bracket, front outer seat track
		
4. Leg, rear right seat		

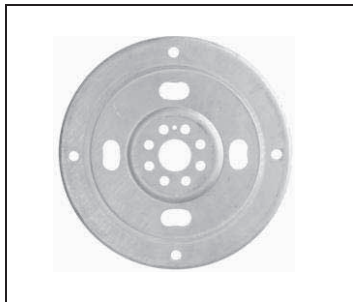
Note:

(1) The parts and components shown above are some examples of seat structural parts and components manufactured by us. It is not an exhaustive list and does not purport to represent all seat structural parts and components manufactured by our Group.

7. BUSINESS OVERVIEW (Cont'd)

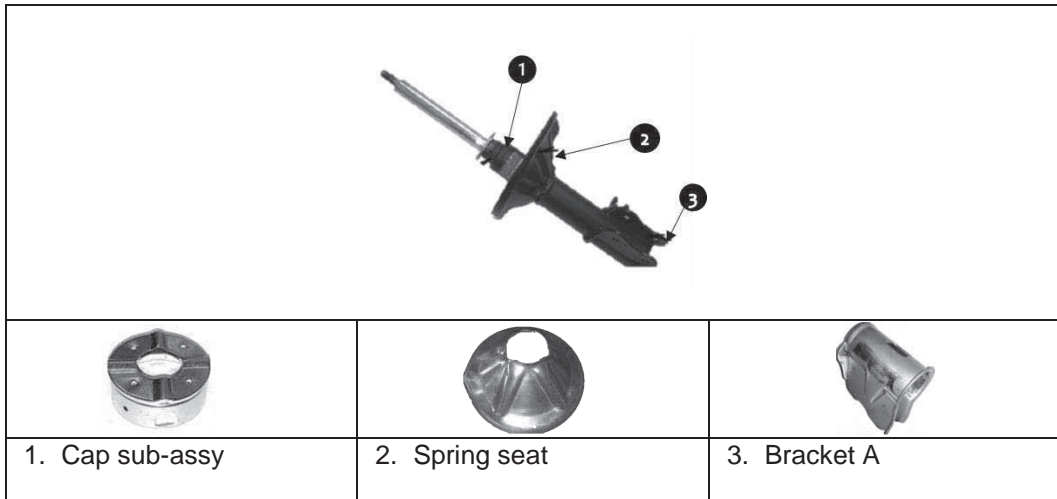
(c) Other parts

i) Engine part



(1) Drive Plate

ii) Absorber parts



As at the LPD, our Group has sold body parts, seat structures and other parts (i.e engine part and absorber parts) to be used in the assembly of the following Proton and Perodua car models (including car models that have been discontinued):

Proton car models			Perodua car models		
Exora	Iriz	Persona	Alza	Alza 2022	Aruz
Perdana-R	Preve	Saga	Ativa	Axia	Axia 2023
Satria	Savvy	Suprima	Bezza	Kelisa	Kembara
Tiara	Waja	Wira	Kenari	Kancil	Myvi
X50	X70		Viva		

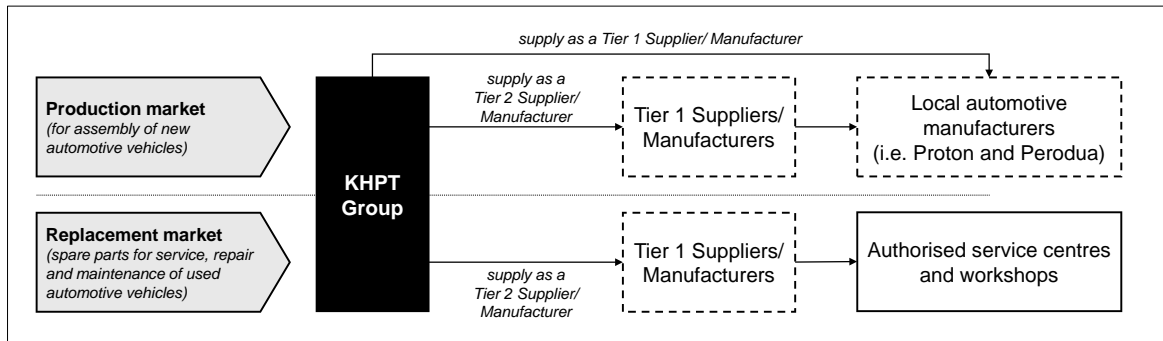
As at the LPD, automotive parts and components manufactured by our Group are used in internal combustion engine vehicles manufactured by the local automotive manufacturers (i.e. Proton and Perodua). Our Group's products (i.e. body parts, seat structures and absorber parts) can be used for the assembly for both internal combustion engine vehicles and electric vehicles.

Based on our Group's expertise and capabilities as set out in Section 7.1.1 of this Prospectus, our Group is able to undertake the manufacturing of any other metal parts and accessories for motor vehicles if requested by our customers or potential customers.

7. BUSINESS OVERVIEW (Cont'd)

7.1.3 Our customers

Our products are sold to our customers for the assembly of new automotive vehicles for the production market and as spare parts for the replacement market, as illustrated below:



Note:

 Indicates our Group's direct customers.

Our Group primarily supplies automotive parts and components to the production market for the assembly of new automotive vehicles. These automotive parts and components are supplied to:

- (i) Tier 1 Suppliers/Manufacturers, where these Tier 1 Suppliers/Manufacturers use our automotive parts and components for further processing and/or assembly with other parts and components, and thereafter supply automotive components which are typically semi-finished components, to local automotive manufacturers for the assembly of new automotive vehicles.
- (ii) Local automotive manufacturers, who use our automotive parts and components for the assembly of new automotive vehicles. We are a Tier 1 Supplier/Manufacturer of Proton and Perodua (i.e. approved vendor of Proton and Perodua) for certain automotive parts and components, whereby the period of which our Group serves as an approved vendor varies for each car model and is typically valid up to 10 years after the respective car models are discontinued in the market, or termination by Proton or Perodua.

Our Group will be subjected to periodic audit by our customers to ensure compliance with their quality and standards.

We also supply automotive parts and components to replacement market through Tier 1 Suppliers/Manufacturers, whereby revenue contribution from our sale to replacement market constituted up to 4% of our Group's total revenue in the Financial Periods Under Review. These Tier 1 Suppliers/Manufacturers use our automotive parts and components for further processing and/or assembly with other accessories, and thereafter supply to authorised service centres and workshops to be used as spare parts for service, repair and maintenance of used automotive vehicles.

7.1.4 Warranty

We generally do not provide warranties for our products, save as when required by customers. In cases whereby our customers notify us about any defects such as scratches or discrepancies in dimensions, we will investigate the cause of such defects and conduct quality tests and checks on our products. If the cause of the defect is due to our manufacturing errors or mis-handling during transportation, we will replace the defective products at our own costs, and we may incur charges from customers if the defective products lead to production downtime and interrupt our customers' operations. We will also ensure that the remaining products to be delivered to our customers will be in compliance with product specifications. For the Financial Periods Under Review, charges incurred from customers due to defects and production downtime in FYE 2021, FYE 2022 and FYE 2023 accounted for 0.10%, 0.02% and 0.01% of our Group's total revenue respectively, while for FPE 2024, we did not incur charges from customers due to defects and production downtime.

7. BUSINESS OVERVIEW (Cont'd)

In the Financial Periods Under Review, while we recorded some replacement of defective products, we did not record any major loss of inventory due to return of defective products.

7.2 PRINCIPAL MARKET AND PRODUCT SEGMENTS

Our Group's revenue is solely generated from Malaysia. In the Financial Periods Under Review, the sale of automotive parts and components (which include sale of steel scrap) was the largest revenue contributor to our Group as it contributed 100.00%, 100.00%, 98.66% and 100.00% to our Group's total revenue respectively.

The breakdown of our Group's revenue by product for the Financial Periods Under Review is as follows:

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
Automotive parts and components ⁽¹⁾ :						
• Body parts	36,949	62.66	74,218	63.85	63,661	55.80
• Seats structures	18,367	31.15	37,465	32.23	45,104	39.54
• Other parts ⁽²⁾	3,649	6.19	4,563	3.92	3,785	3.32
Dies solution services ⁽³⁾	-	-	-	-	1,532	1.34
	58,965	100.00	116,246	100.00	114,082	100.00

	Unaudited		Audited	
	FPE 2023		FPE 2024	
	RM'000	%	RM'000	%
Automotive parts and components ⁽¹⁾ :				
• Body parts	27,654	54.34	29,584	56.54
• Seats structures	20,974	41.22	21,217	40.55
• Other parts ⁽²⁾	2,260	4.44	1,522	2.91
Dies solution services ⁽³⁾	-	-	-	-
	50,888	100.00	52,323	100.00

Notes:

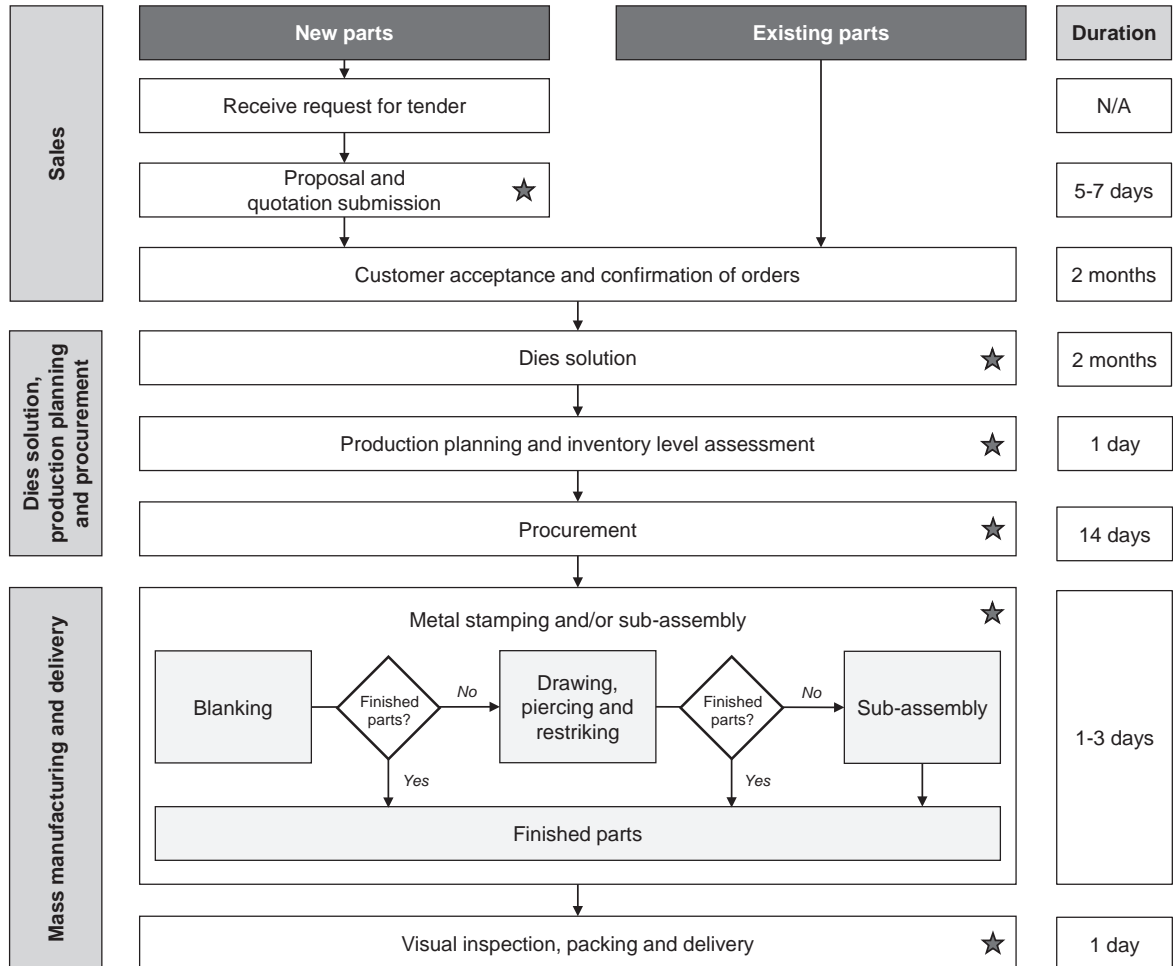
- (1) The revenue contribution from the sale of automotive parts and components includes the revenue contribution from the sale of steel scrap. The sale of steel scrap is a residual income from the waste generated during the manufacturing of automotive parts and components which are the core products. The total sale of steel scrap in the Financial Periods Under Review was RM3.62 million, RM7.48 million, RM7.70 million and RM3.36 million respectively, accounting for 6.13%, 6.43%, 6.75% and 6.42% of the total revenue, respectively.
- (2) Other parts mainly comprise engine parts and absorber parts. It also includes other parts such as air leaf springs for trucks, however, contribution from the sale of these other parts were minimal in the Financial Periods Under Review.
- (3) There was no revenue generated by dies solution services in the FYE 2021 and FYE 2022. This was due to the on-going manufacturing process of dies and jigs, where the dies and jigs were not completed in FYE 2021 and FYE 2022, resulting in the revenue not being recognised in the respective years. Manufacturing process of dies and jigs involves design, prototyping and testing, where the dies and jigs are customised according to detailed specifications, prior to production and commissioning of the said dies and jigs. Hence, these factors contributed to the extended period required for revenue recognition. In FYE 2023, the aforementioned dies and jigs were completed and as such the revenue for the manufacturing of these dies and jigs was recognised, contributing to a 1.34% of our Group's total revenue for FYE 2023. There was no revenue generated by dies solution services in FPE 2023 and FPE 2024.

7. BUSINESS OVERVIEW (Cont'd)

7.3 PROCESS FLOW

7.3.1 Business and operation

The business and operational processes of our Group involve the following:



Note:

★ Indicates processes where quality checks are carried out. Please refer to Section 7.3.2 of this Prospectus for further information on our Group's quality assurance and control measures.

Sales

(i) New parts

Receive request for tender

Prior to the launch of any new car models, local automotive manufacturers will request their Tier 1 Suppliers/Manufacturers to participate in tender submissions for the manufacturing and/or sub-assembly of the parts and components of the new car models. We may receive requests for tender which include drawings that outline the prescribed technical specifications, directly from the local automotive manufacturers or through their Tier 1 Suppliers/Manufacturers.

We will prepare tender documents based on the technical specifications of the drawings for the parts and components, materials required, delivery timeline and order amount. Generally, all requests for new parts (including any amendments to existing parts) will require us to go through a proposal and quotation submission process with our customers in order to be appointed as the manufacturers for the respective parts and components.

7. BUSINESS OVERVIEW (Cont'd)

Proposal and quotation submission

During the proposal and quotation submission process, we are assessed by our customers on various aspects, including our engineering and manufacturing capabilities as well as the accuracy and consistency of our product quality. As part of the proposal and quotation submission process, we develop 3D engineering drawings of dies and jigs, as well as carry out process engineering where we plan, design and develop our metal stamping process in terms of stamping flow and sequence as well as the number of stamping strokes required.

With our dies solution and process engineering expertise, we aim to reduce the number of stamping strokes required to complete the stamping process, in order to shorten overall manufacturing times and achieve cost-efficiency. The 3D engineering drawings of the dies and jigs as well as details of the manufacturing process will be submitted to our customers as part of the tender documents together with our quotation on the cost of manufacturing the respective dies and jigs as well as the parts and components.

The period of the proposal and quotation submission process varies based on complexity of the automotive parts and our customers' timeline. The typical duration to complete a proposal and quotation submission process for new parts is up to 7 days; whereas the duration may be shorter for existing parts that require amendments, which is up to 5 days.

Customer acceptance and confirmation of orders

Upon completing the proposal and quotation submission process, our customers will issue a letter of intent/ letter of appointment as a confirmation of appointing us as their approved manufacturer for the manufacturing of the respective parts and components. On average, the typical duration taken by our customer to accept our quotation and confirmation orders is 2 months.

(ii) Existing parts
Customer acceptance and confirmation of orders

For the manufacturing of existing parts, our customers will issue purchase orders to us as a confirmation of orders to manufacture the existing parts.

Dies solution, production planning and procurement
(i) Dies solution

For new parts, we design and manufacture dies to be used in stamping process and jigs to be used in the welding and quality checking process. We design dies and jigs based on the manufacturing requirements and technical specifications of the parts and components. The 3D engineering drawings will be submitted to our customers for approval before the dies and jigs are manufactured. After our customers approve the drawings of our dies and jigs, we will manufacture the dies and jigs using CNC and wire cut machines.

Thereafter, we will test the dies and jigs by using them to manufacture several prototypes as quality checks to ensure the dies and jigs are manufactured according to our customers' requirements. These prototypes will be sent to our customers for approval prior to mass manufacturing. Some customers may request for multiple batches of prototype in different quantities to assess the accuracy and consistency of our quality and manufacturing capabilities. Typically, the average duration from the design and manufacturing of dies and jigs up to our customers approval of the prototype is 2 months.

All dies and jigs used in the manufacturing of our parts and components are kept in our factory and maintained by us for a period of up to 10 years after the respective car models are discontinued in the market. Following which, we will return the dies and jigs to the respective customers.

7. BUSINESS OVERVIEW (Cont'd)

For existing parts, prior to mass manufacturing, we will perform checking and calibration on the dies and jigs to ensure that they are in good conditions.

(ii) Production planning and inventory level assessment

We will formulate a production plan based on the rolling forecast of up to 6 months provided by our customers on the estimated upcoming order quantities of parts and components. Our production plan takes into consideration the availability of raw materials in our inventory prior to sourcing from suppliers and our manufacturing capacity in accordance with the forecast received. Therefore, upon receipt of purchase orders from our customers, we are generally able to manufacture part and components according to our customers' timeline.

(iii) Procurement

We closely monitor our inventory of raw materials which primarily consist of steel coils and steel cut sheets, to ensure we have sufficient levels of raw materials to meet our orders from our customers. These raw materials are purchased from steel suppliers approved by our customers, or from our customers. Further details on the two types of procurement arrangements are as follows:

(a) Purchase from approved steel suppliers

We purchase steel materials from approved steel suppliers for the manufacturing of parts and components. These approved suppliers will arrange for the steel materials to be delivered to our TPG factory. Please refer to Section 7.9.1 (a) of this Prospectus for further information on the steel material prices for our purchases from approved steel suppliers.

(b) Purchase from our customers

Our customers purchase steel materials directly from approved steel suppliers on our behalf and the approved steel suppliers will arrange for the steel materials to be delivered to our TPG factory. Please refer to Section 7.9.1 (b) of this Prospectus for further information on the steel material prices for our purchases from our customers.

Further, if there are any processes to be outsourced to third party manufacturers (i.e. finishing, laser cutting and stamping) in relation to the manufacturing of our parts, and/or accessories to be procured from third party suppliers, we will obtain quotations from our subcontractors/ suppliers and subsequently appoint subcontractors/ purchase from suppliers approved by our customers.

Upon the receipt of raw materials, parts and accessories, we will conduct quality checks to ensure that the raw materials, parts and accessories received are in accordance with our product specifications, quality and quantity, as well as in good condition. Raw materials that have passed our quality checks will be stored as our inventory. We maintain an average of 1 week of inventory level for our raw materials to prevent disruptions to our manufacturing activities. Parts and accessories that have passed our quality checks will be stored in our warehouse or sent to manufacturing line for further processing based on our manufacturing schedule.

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7. BUSINESS OVERVIEW (Cont'd)

Mass manufacturing and delivery

(i) Metal stamping and/or sub-assembly

We perform metal stamping and/or sub-assembly based on our production plan which outlines the order specifications, technical details and manufacturing schedule. Depending on the technical specifications of each part as well as our customers' requirements, a part may go through all blanking, forming, piercing, restriking and sub-assembly processes, several of these processes, or either one of these processes, prior to becoming a finish part ready for delivery to our customers. On average, the metal stamping and sub-assembly process ranges from 1 to 3 days. Please refer to Sections 7.1.1 (ii) and 7.1.1 (iii) of this Prospectus for details of our expertise and capabilities in metal stamping and sub-assembly.

We conduct quality checks by sample size for each batch after each process to ensure that the measurements and specifications of the parts manufactured are in accordance with our customers' requirements.

If there are any processes that are outsourced to third party manufacturers/subcontractors, upon receipt of the parts or accessories from them, we will conduct quality checks by sample size to ensure that the measurements and specifications of the components are in accordance with our customers' requirements, before accepting the products.

(ii) Visual inspection, packing and delivery

Upon completion of metal stamping and/or sub-assembly processes, a final visual inspection check will be carried out on all finished parts before being packed and stored in our warehouse while logistics arrangement for delivery is made based on the delivery instructions provided by our customers. On average, the visual inspection, packing and delivery process takes 1 day.

7.3.2 Quality control and quality assurance

Our Group places emphasis on the quality of all our products. We are committed to ensure that the quality control procedures that we have put in place fulfil the requirements of our customers. Our quality control procedures are as follows:

Objective	Quality control procedures
Quality checks on in-coming supplies, including subcontracted parts	<ul style="list-style-type: none"> • Undergo visual inspection to ensure that the supplies meet the required order specifications and quality standards (i.e. no dimensional variances, damages, cracks and stains/dirt). • Notify suppliers if the in-coming supplies do not meet the required order specifications and quality standards. We may arrange for claims and a new batch of supplies for replacement.
Quality checks during manufacturing	<ul style="list-style-type: none"> • Conduct quality checks throughout the manufacturing processes to ensure that the parts and components are manufactured as per specifications. We conduct the following quality checks by sample size: <ul style="list-style-type: none"> - Full dimensional inspection is conducted on the first stamped piece during each metal stamping process to ensure the accuracy of the parts' profile, dimensions and critical points. - Quality checks on WIP parts on an hourly basis using calibration tools (i.e. digital calliper and digital height gauge) and verification tools (i.e. measuring tapes, steel ruler, angle gauge and radius gauge).

7. BUSINESS OVERVIEW (Cont'd)

Objective	Quality control procedures
	<ul style="list-style-type: none"> - Quality checks on WIP parts during the initial, middle and ending stage of metal stamping process of each part and component using checking fixtures (i.e. checking jigs). Checking jigs are tools design and manufactured by us specifically for conducting quality checks at a higher standard in terms of the parts' profile, dimension and accuracy. For every part manufactured by our Group, a checking jig is designed and manufactured by us for the purpose of conducting quality checks. Having several checkpoints throughout the manufacturing process enables us to trace the quality of each batch of parts, including WIP parts, and enables early detection if there are any defects or inaccurate shapes and/or dimensions.
Quality checks on out-going products	<ul style="list-style-type: none"> • Conduct visual inspection to ensure that the appearance of the parts adhere to requirements before packing and prior to delivery.

As a testament of our ongoing commitment to quality, our Group is certified compliant with the following standard:

Name of certificate	Certification body	Scope of certification	Date first awarded	Validity period
IATF 16949:2016 Automotive Quality Management System	SIRIM International Bhd	QAS for quality management system requirement for manufacture of metal stamping parts and sub-assembly of metal components	17 July 2018	19 June 2024 – 18 June 2027

For the renewal of our IATF 16949:2016 certificate, we will undergo external audit by the certification body prior to the expiration of the certificate. We also conduct annual internal audit and management review to ensure continuous compliance to the IATF 16949:2016 standards which will allow us to pass the external audit for renewal.

Further, our quality control procedures ensure we comply with stringent supplier selection processes set out by our customers. Generally, our customers' supplier selection process is a lengthy process comprising product inquiry (including 3D engineering drawings of parts as well as fine-tuning of the details and technical specifications of dies and jigs), proposal and quotation submission of manufacturing process for approval, prior to being selected as their approved manufacturers. Following which, as we have to remain as our customers' approved manufacturers, we ensure our products are able to fulfil our customers' quality requirements and delivery timeline in each of our order delivery.

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7. BUSINESS OVERVIEW (Cont'd)

7.4 TECHNOLOGY USED

We use the following technologies in the form of software and machines in our operational processes:

Software and machines	Description/Function
Integrated CAD / CAM software	<p>An integrated CAD/CAM software is a product design and manufacturing software used to support our dies solution services and metal stamping processes.</p> <p>CAD software enables our engineers to perform 3D design, engineering and modelling of our dies which are used to manufacture automotive parts and components, and jigs which are used in welding and quality checking process, all of which are manufactured in accordance with our customers' specifications.</p> <p>CAM software enables our engineers to generate and load programmed commands, encoded with the CAD models, into the CNC machines and wire cut machines. CAM software is used to control the operations of CNC machines and wire cut machines through programmed commands during the manufacturing of dies for metal stamping processes and jigs for welding and quality checking processes.</p>
CNC machine	CNC machines refer to automated machines controlled through programmed commands encoded in CAM software, based on CAD models. We use CNC machines during the manufacturing of dies and jigs.
Wire cut machines	Wire cut machines, also known as electrical discharge machines, refer to machines that cut precise shapes and curves, through programmed commands encoded in CAM software, based on CAD models. We use wire cut machines for the manufacturing dies and jigs.
Press machine	Press machines refer to machines that stamp metal sheets to form precisely shaped parts and components.
Robotic welding machine	Robot welding machines refer to automated machines made up of an industrial robotic arm and welding tools (i.e. welding gun) mounted at the top of the robotic arm to perform automated arc welding as part of our sub-assembly process.
Integrated robot programming and robot simulation software	An integrated robot programming and robot simulation software is mainly used to support our prototype service. This software allows us to program our 3D laser cutting robotic machines to simulate and perform the cutting of 3D prototypes.

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7. BUSINESS OVERVIEW (Cont'd)**7.5 MANUFACTURING CAPACITIES AND OUTPUT**

As at the LPD, we have a total of 45 press machines. We utilise press machines to manufacture our automotive parts and components in accordance with our customers' requirements and technical specifications. Our Group has 4 types of production lines, whereby the production line used varies, depending on the types of parts and components to be manufactured. The details of our production lines are as follows:

Production line	Number of production line	Total number of press machines⁽¹⁾	Function
Blanking line ⁽²⁾	5	5	To perform blanking, including trapezoid blanking
Body parts production line	4	17	To mainly manufacture body parts through various stamping processes including forming, piercing and restriking. Body parts production line can also be used to manufacture seat structural parts in the event of insufficient capacity of our seat structural parts production line.
Seat structural parts production line	5	18	To mainly manufacture seat structural parts through various stamping processes including forming, piercing and restriking. Seat structural parts production line is also used to manufacture engine parts, as well as absorber parts in the event of insufficient capacity of our absorber parts production line.
Absorber parts production line	1	5	To manufacture absorber parts through various stamping processes including forming, piercing and restriking.

Notes:

- (1) *Indicates the total number of press machines in all production lines, whereby the number of press machines in each production line varies.*
- (2) *Each blanking line also consists of uncoiling, flattening and feeder machines to feed flatten steel coils into press machines for blanking.*

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7. BUSINESS OVERVIEW (Cont'd)

Our estimated annual manufacturing capacity, actual annual manufacturing output and utilisation rate for the manufacturing of parts and components for the Financial Periods Under Review are as follows:

Production line	Estimated annual manufacturing capacity (pieces)⁽¹⁾	Actual annual manufacturing output (pieces)⁽²⁾	Utilisation rate (%)
FYE 2021			
Blanking line	14,414,400	4,583,705	31.80
Body parts production line	3,144,960	960,519	30.54
Seat structural production line	8,089,200	3,493,830	43.19
Absorber parts production line	9,172,800	4,350,377	47.43
Total	34,821,360	13,388,431	38.45
FYE 2022			
Blanking line	14,414,400	11,719,836	81.31
Body parts production line	3,144,960	2,376,401	75.56
Seat structural production line	8,089,200	7,092,108	87.67
Absorber parts production line	9,172,800	5,169,056	56.35
Total	34,821,360	26,357,401	75.69
FYE 2023			
Blanking line	19,328,400	13,666,351	70.71
Body parts production line	3,144,960	2,647,873	84.19
Seat structural production line	8,089,200	7,672,597	94.85
Absorber parts production line	9,172,800	2,768,428	30.18
Total	39,735,360	26,755,249	67.33
FPE 2024⁽³⁾			
Blanking line	10,155,600	6,476,391	63.77
Body parts production line	1,572,480	1,241,272	78.94
Seat structural production line	4,044,600	3,742,050	92.52
Absorber parts production line	4,586,400	1,051,601	22.93
Total	20,359,080	12,511,314	61.45

Notes:

(1) The estimated annual manufacturing capacity for FYEs 2021 and 2022 is computed based on a total production hours of 21 hours per day (2 fixed shifts of 8 hours each and 2 overtime shifts of up to 2.5 hours each) and 26 days per month (except for seat structural parts line which we run 30 days per month) for a total of 12 months on the following basis:

- Blanking line: a total of 2,200 pieces are manufactured per hour;
- Body parts production line: a total of 480 pieces are manufactured per hour;
- Seat structural parts production line: a total of 1,070 pieces are manufactured per hour; and
- Absorber parts production line: a total of 1,400 pieces are manufactured per hour.

The estimated annual manufacturing capacity for FYE 2023 is computed based on a total production hours of 21 hours per day (2 fixed shifts of 8 hours each and 2 overtime shifts of up to 2.5 hours each) and 26 days per month (except for seat structural parts line which we run 30 days per month) for a total of 12 months on the following basis:

- Blanking line: a total of 2,200 pieces were manufactured per hour for January and February 2023, and a total of 3,100 pieces are manufactured per hour from March 2023 onwards as we commissioned a new blanking line with a capacity of manufacturing 900 pieces per hour in March 2023;
- Body parts production line: a total of 480 pieces are manufactured per hour;
- Seat structural parts production line: a total of 1,070 pieces are manufactured per hour; and

7. BUSINESS OVERVIEW (Cont'd)

- Absorber parts production line: a total of 1,400 pieces are manufactured per hour.

The estimated computed annual manufacturing capacity for FPE 2024 is computed based on a total production hours of 21 hours per day (2 fixed shifts of 8 hours each and 2 overtime shifts of up to 2.5 hours each) and 26 days per month (except for seat structural parts line which we run 30 days per month), for a total of 6 months, on the following basis:

- Blanking line: and a total of 3,100 pieces are manufactured per hour;
 - Body parts production line: a total of 480 pieces are manufactured per hour;
 - Seat structural parts production line: a total of 1,070 pieces are manufactured per hour; and
 - Absorber parts production line: a total of 1,400 pieces are manufactured per hour.
- (2) The actual annual manufacturing output is based on the number of actual pieces manufactured by our Group's press machines for the respective Financial Periods Under Review.

In the Financial Periods Under Review, our utilisation rate of our press machines was 38.45%, 75.69%, 67.33% and 61.45% respectively. There was a decline in the utilisation rate for FYE 2023 due to an increase in the manufacturing capacity for our blanking line as well as a decrease in our manufacturing output for absorber parts.

7.6 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Save for the temporary disruptions to our operations arising from the COVID-19 pandemic as detailed below, our Group had not experienced any other interruptions in our operations which had a significant effect on our operations for the Financial Periods Under Review up to the LPD.

7.6.1 Impact of COVID-19 on the operations of our Group

Since the outbreak of COVID-19 pandemic, our business and operations faced several temporary interruptions:

- (a) During the imposition of the 1st MCO from 18th March 2020 to 3rd May 2020, our operations were temporarily closed. On 18 April 2020, our Group obtained an approval letter from MITI to resume operations at a capacity of 100% workforce as we were deemed as essential services by being a part of the automotive industry.
- (b) Several closure of operations due to different forms of lockdown imposed by the Government due to resurgence of COVID-19 cases in 2021. We were not deemed as essential services during these lockdowns. The operations of some of our suppliers and customers were also disrupted at different times in 2021, due to positive COVID-19 cases reported among their employees which affected their manufacturing operations and subsequently caused slowdowns in the automotive assembly supply chain, including our Group.
- (c) Our operations were temporarily suspended from 23 April 2021 to 30 April 2021 as required by KKM due to 94 COVID-19 positive cases reported in our factory. In order to avoid delays in order delivery due to temporary closures, we made timely arrangements with our customers who are local automotive manufacturers and the Tier 1 Suppliers/Manufacturers of local automotive manufacturers to outsource the manufacturing of our parts and components due for delivery during that period to other approved manufacturers. We successfully transferred the required raw materials, dies and jigs, as well as WIP parts and components, to other approved manufacturers' factories to execute the manufacturing works for the orders due during that period. We also provided support to the other manufacturers' engineers, quality control personnel and production personnel remotely by monitoring the manufacturing process and providing technical assistance to ensure the quality requirements of the parts and components were strictly adhered to. All the orders due during that period were fulfilled without downtime.

7. BUSINESS OVERVIEW (Cont'd)

Save for the aforementioned temporary closures, our Group was allowed to operate while complying with the SOP (e.g. hygiene practices, regular sanitisation and logistic requirements) outlined by MITI throughout the COVID-19 pandemic. Further, the reduction of workforce capacity as outlined in MITI's SOP during the COVID-19 pandemic did not result in material adverse impact to our business operations as our production staff operated our machines in our factory and our engineers worked remotely to support our business operations.

We have been able to continue our sales activities through online meetings, hence we have not faced any major disruptions in our sales and marketing activities. There was no disruption in our tender processes and customers audits as physical visits by customers were replaced with virtual meetings.

7.6.2 Impact on our business cash flows, liquidity, financial position and financial performance

During the FYE 2021, due to several closure of operations as a result of different forms of lockdowns imposed by the Government due to resurgence of COVID-19 cases in 2021, as well as disruptions in the automotive assembly supply chain arising from factory closures or shortage of man-power caused by positive COVID-19 cases, our financial performance were affected as operations slowed down. Please refer to Section 7.6.1 (b) of this Prospectus for further details on the closure of operations and Section 12 of this Prospectus for further details on our financial performance in FYE 2021.

There was no adverse impact to our cash flows, liquidity, financial position and financial performance in FYE 2022, FYE 2023 and FPE 2024.

7.7 COMPETITIVE STRENGTHS

7.7.1 Our parts and components are used in the assembly of local automotive vehicles, which are the top selling automotive brands in Malaysia

Our Group's parts and components are mainly used by local automotive manufacturers (i.e. Proton and Perodua) for the assembly of Proton and Perodua cars respectively. Our automotive parts and components are customised and manufactured according to the varied requirements of each vehicle model, and are sold to Proton and Perodua directly, or to their respective Tier 1 Suppliers/Manufacturers.

Since our involvement in the manufacturing of automotive parts and components in 1995, our parts and components have been used in 14 models of Proton vehicles and 13 models of Perodua vehicles. Parts and components manufactured and supplied directly to Proton and Perodua or indirectly through their Tier 1 Suppliers/Manufacturers comprise body parts, seat structures and other parts (i.e. engine parts and absorber parts). Please refer to Section 7.1.2 of this Prospectus for the list of vehicle models of Proton and Perodua which our automotive parts and components are used in.

According to the IMR Report, in 2023, Perodua and Proton are the top 2 automotive brands sold in Malaysia in terms of total industry volume ("TIV"), accounting for 41.30% and 18.88% of TIV respectively. Furthermore, Perodua was consistently the top automotive brand in Malaysia in terms of TIV from 2017 to 2023, while Proton ranked second in terms of TIV in 2017 as well as from 2019 to 2023.

Our Group has been an automotive parts and components supplier to Proton and Perodua vehicles for 29 years and 24 years respectively, including the years in which we supplied parts and components to Proton and Perodua indirectly through their Tier 1 Suppliers/Manufacturers. Hence, we believe that we are poised to continue growing our business as these local automotive manufacturers continue to grow their sales with the release of new and/or upgraded vehicle models.

7. BUSINESS OVERVIEW (Cont'd)

7.7.2 Our dies solution and process engineering expertise enable us to produce quality automotive parts and components to consistently meet our customers' requirements and assist our customers in reducing manufacturing costs

The growth of our Group is backed by our dies solution and process engineering capabilities, which are headed by our Operation Manager, Oon Pey Yang, who is equipped with over 15 years of experience in the manufacturing operations, covering production planning, machine and facility maintenance, quality management, product development and process optimisation as well as dies and jigs design. Oon Pey Yang is assisted by a team of 7 technical personnel as at the LPD, in our dies solution and process engineering activities. Further, we are also supported by our Executive Director, Hideki Nomura and our substantial shareholder, Tiu Kuang Hong for their technical advice. Please refer to Sections 5.5.2 (iii), 5.2.2 (ii) and 5.1.3 (ii) of this Prospectus, for the profiles of Oon Pey Yang, Hideki Nomura and Tiu Kuang Hong respectively.

By leveraging on the experience and technical know-how of these key technical personnel, our Group has been able to design and develop optimised manufacturing processes. This plays a significant role in reducing our overall manufacturing time, which translates to lower manufacturing costs and enabling us to offer competitively-priced and quality products. This is a value-added service provided to our customers during our process engineering stage which enables our customers to achieve cost-reduction in their overall manufacturing and assembly processes. Further, it is also our competitive edge to have in-house dies solution expertise as we are able to have assurance on the quality of dies and jigs manufactured, as well as respond to any changes in the requirements of dies and jigs following any adjustments to the designs or specifications of the automotive parts and components, in a timely manner.

Our Group believes that with our dies solution and process engineering capabilities, it enables us to produce quality automotive parts and components as well as consistently meet our customers' requirements in terms of product quality, cost considerations and timeliness of delivery. This, in turn, enables us to maintain our long-standing relationships with our customers and to continue securing more orders for existing and new vehicle models moving forward. Further, we believe that we have adequate and sufficient technical personnel to expand our manufacturing capacity as part of our future plans and strategies as detailed in Section 7.12 of this Prospectus.

7.7.3 We have long-standing relationships with our customers which is a testament to the quality of our products

Our customers comprise mainly Tier 1 Suppliers/Manufacturers of local automotive manufacturers. In the Financial Periods Under Review, most of our major customers have purchased automotive parts and components from us for at least 11 years. These major customers are Tier 1 Suppliers/Manufacturers of local automotive manufacturers which use our parts and components for further processing and assembly with other parts and components manufactured by them or sourced from other suppliers to form sub-assembled products prior to supplying to local automotive manufacturers, namely Proton and Perodua, for assembly into complete automotive vehicles.

Our ability to secure recurring sales from our customers is attributed to the quality of our products which meet their stringent quality control measures as well as internationally recognised standards. It is critical for us to maintain accuracy and consistency in our parts and components, as these products are used in the assembly of automotive vehicles whereby any variations will affect the entire automotive assembly process and lead to production downtime and major disruptions to our customers' operations and the completion of final assembly of the complete automotive vehicles.

Further, we have complied with stringent supplier selection processes, which include vendor audits, through tender processes prior to securing our customers and/or securing more orders for new vehicle models, and have been able to accommodate any further assessments required by them such as periodic audits, performance reviews and factory visits. Please refer to Section 7.3.2 of this Prospectus for further information on our customers' supplier selection processes. This has allowed us to continuously remain as their qualified suppliers. For further information on our major customers, please refer to Section 7.13 of this Prospectus.

7. BUSINESS OVERVIEW (Cont'd)

Our Group believes that the abovementioned factors have been pivotal in maintaining our reputation and customers' confidence towards our manufacturing capabilities, thus allowing our Group to establish long-standing relationships with our customers. This is also in line with our Group's core value and practice of 'customer-first', where we strive to achieve customer satisfaction by placing customers' requirements and considerations as our top priority. Moving forward, as we continue to uphold our product quality standards, we believe that we will be able to continue securing orders from our customers, which will contribute to the growth and expansion of our business.

7.7.4 We have an established history in the automotive parts and components manufacturing industry

We have an established history of 29 years in the automotive parts and components manufacturing industry since we commenced our business in 1995 under KHEI in the manufacturing and sales of automotive absorber parts. Our Group has expanded our range of product offerings from absorber parts to include seat structures, body parts and engine part, to cover a wider range of parts and components used in the automotive industry. Our extensive experience and portfolio gained throughout the years have led to the sustained growth of our business and positioned us as a reputable manufacturer of automotive parts and components, which is evidenced by our long-standing relationships with our major customers as detailed in Section 7.13 of this Prospectus.

Armed with a 29-year business history in the automotive parts and components manufacturing industry, our Group has been through business and economic cycles, which demonstrates our business growth and resilience, including weathering adverse economic and market conditions. With such a foundation, our Group believes that we will be able to continue leveraging on our expertise and capabilities to drive the growth and expansion of our business.

7.7.5 We have an experienced and hands-on key senior management team

Our Group is led by an experienced and technically skilled key management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Our Group Managing Director, Datin Eloise, who has 21 years of experience in the automotive parts and components manufacturing industry, has played a pivotal role in steering the growth and success of our Group since she took over the management in 2018. Her experience, drive and passion for our business have been instrumental to our Group's success to-date.

She is supported by the following Key Senior Management:

Name	Designation	Years of relevant working experience
Sia Boon Huat	Business Development Senior Manager	18
Eng Shu Ling	Finance Controller	11
Oon Pey Yang	Operation Manager	17

Our management team has relevant industry and functional expertise as a result of years of experience in their respective fields. Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand. Please refer to Sections 5.1.3 (i) and 5.5.2 of this Prospectus for the profiles of our Group Managing Director and Key Senior Management.

7.8 SEASONALITY AND CYCLICALITY

We do not experience any material seasonality or cyclicity in our business as the demand for our products are neither subject to seasonal fluctuations nor cyclical variations.

7. BUSINESS OVERVIEW (Cont'd)

7.9 TYPES, SOURCES AND AVAILABILITY OF MAJOR RAW MATERIALS AND INPUT

The table below sets out our purchases for the Financial Periods Under Review:

	FYE 2021		FYE 2022		FYE 2023		FPE 2024	
	Value of purchases (RM'000)	% of total Group purchases (%)	Value of purchases (RM'000)	% of total Group purchases (%)	Value of purchases (RM'000)	% of total Group purchases (%)	Value of purchases (RM'000)	% of total Group purchases (%)
Purchases								
Raw materials								
Steel coils	37,382	80.21	60,482	70.83	52,501	61.44	23,198	60.07
Steel cut sheets	6,373	13.67	21,809	25.54	29,564	34.60	14,150	36.64
Sub-total ⁽¹⁾	43,756	93.89	82,290	96.36	82,066	96.04	37,348	96.71
Subcontractor services ⁽²⁾	2,273	4.88	2,289	2.68	2,437	2.85	906	2.35
Accessories ⁽³⁾	576	1.24	816	0.96	943	1.10	363	0.94
Total⁽¹⁾	46,605	100.00	85,395	100.00	85,445	100.00	38,617	100.00

Notes:

- (1) May not add up due to rounding.
- (2) Comprise finishing services, laser cutting services, manufacturing services and stamping works.
- (3) Comprise nuts, weld nuts, pins and rivets and wires, amongst others.

Steel coils and steel cut sheets are our primary raw materials in which they collectively contributed 93.89%, 96.36%, 96.04% and 96.71% to our Group's total purchases in the Financial Periods Under Review. We purchase steel coils and steel cut sheets from steel suppliers approved by our customers, or from our customers. The details of the prices of these raw materials are depicted in Section 7.9.1 below:

7. BUSINESS OVERVIEW (Cont'd)

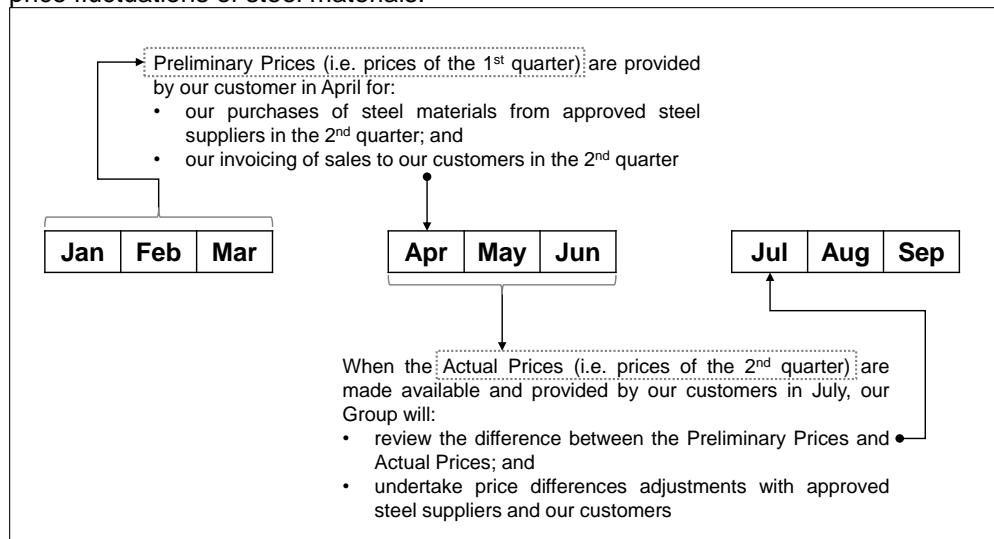
7.9.1 Prices of raw materials

(a) Purchase from approved steel suppliers with price difference adjustment mechanism

Generally, a fixed price of steel materials is used for our purchases of steel materials from approved steel suppliers and for our invoicing of sales to our customers in every quarter.

Our customers will provide us steel material prices of the preceding quarter in the first month of each quarter ("**Preliminary Prices**"), which we will use the Preliminary Prices for our purchases of steel materials from approved steel suppliers and for our invoicing of sales to our customers in the current quarter.

As prices of steel materials are subject to market price fluctuations, there will be a difference in the steel material prices provided by our customers in each quarter. The difference between the Preliminary Prices and the prices to be provided by our customers in the next quarter ("**Actual Prices**") reflects the market price fluctuations of steel materials. As such, together with our customers and approved steel suppliers, our Group undertake price differences adjustments on a quarterly basis by comparing the Preliminary Prices with the Actual Prices to address the impact from the market price fluctuations of steel materials.



The details of the price difference adjustment mechanism between our Group, our suppliers and our customers are as follows:

Price variation	Action taken
When Actual Prices of steel material are higher than the Pre-determined Prices (" Price Upward Adjustment ")	Our suppliers will issue a debit note to our Group for the Price Upward Adjustment, and we will also issue a debit note to our customers for the Price Upward Adjustment.
When the Actual Prices of steel material are lower than the Pre-determined Prices (" Price Downward Adjustment ")	Our suppliers will issue a credit note to our Group for the Price Downward Adjustment, and we will also issue a credit note to our customers for the Price Downward Adjustment.

7. BUSINESS OVERVIEW (Cont'd)

(b) Purchase from Customers

Our customers provide us steel material prices on a semi-annual basis as our purchase prices of steel from them, as well as for our material invoicing prices in our sale of parts and components to them. Under this arrangement, the steel material prices are fixed and we are not subject to the risk of market price fluctuations of steel coils and steel cut sheets, as market price fluctuations are absorbed by our customers.

(c) Purchase from approved steel suppliers without price difference adjustment mechanism

Our Group, in our own capacity, directly purchases these steel materials from approved steel suppliers at market price, where we quote customers based on the market price. Under this arrangement, we are exposed to price fluctuations of steel materials. However, if the prices of steel materials fluctuate substantially, we may negotiate with our customers to adjust our product selling prices.

Nevertheless, steel materials purchased under this arrangement are minimal as it accounted for 3.57%, 2.23%, 0.93% and 0.60% to our Group's total purchases for the Financial Periods Under Review. Our exposure to the price fluctuation of steel materials is minimal and such exposure did not result in any material impact to our Group's financial performance.

Generally, automotive parts and components manufactured for the production market are recurring orders by customers, and hence purchases of steel materials for these manufacturing activities are conducted under the arrangements disclosed in Section 7.9.1(a) or Section 7.9.1(b); whereas automotive parts and components manufactured for the replacement market are mostly are conducted under the arrangement disclosed in Section 7.9.1(c).

7.9.2 Sources and availability of raw materials

Steel materials are generally readily available in the market. Depending on the preferred procurement arrangements of our customers, we source steel materials from local steel suppliers approved by our customers, or from our customers who source steel materials from steel suppliers on behalf of us. If there are shortages of supply from any approved steel suppliers, we will source the steel materials from other approved steel suppliers.

We did not experience any material supply disruptions or delays of steel materials in the Financial Periods Under Review. We also maintain an average of 1 week of inventory level for our steel materials to prevent disruptions to our manufacturing activities. Further details on the risk related to the availability of raw materials are as set out in Section 9.1.3 of this Prospectus.

Our arrangements with our approved steel suppliers and our customers for the purchase of steel materials as disclosed in Section 7.9.1 and Section 7.9.2 are normal industry practices within the automotive parts and components industry.

For subcontracting services, we outsource finishing, laser cutting and manufacturing works to third party subcontractors when required, based on the requirements of our customers. As these services are not commonly required by our customers, we do not have in-house expertise to carry out these services. Further, during peak periods, we may subcontract some stamping works to third party manufacturers to complement our capacity and to ensure there is no delay in the delivery of our products which may cause subsequent delays to the entire supply chain of the assembly market. We will conduct quality checks on the products received from the third party suppliers to ensure the quality of the products are in accordance with our customers' requirements. These subcontracted services are readily available in the market and we did not experience any difficulties in sourcing such services in the Financial Periods Under Review.

7. BUSINESS OVERVIEW (Cont'd)

7.10 SALES AND MARKETING

Our Group's sales and marketing activities are as follows:

(a) Direct approach

We actively engage new and existing customers through direct approach whereby these customers are local automotive manufacturers and Tier 1 Suppliers/Manufacturers of local automotive manufacturers.

We also follow up closely with our existing customers to keep up with the introduction of new vehicle models to identify opportunities to secure more sales.

(b) Referrals from business associates

We secure new customers through referrals from our business associates, namely local automotive manufacturers and their respective Tier 1 Suppliers/Manufacturers, to expand our network of customers within the automotive assembly supply chain.

(c) Corporate website

We have established our corporate website at www.khpt.com.my as a platform to introduce our product offerings as well as engineering and manufacturing capabilities to potential customers along with providing immediate searchable information on our Group.

7.11 RESEARCH AND DEVELOPMENT

Due to the nature of our business where we manufacture automotive parts and components in accordance with our customers' requirements, we do not undertake any research and development activities in relation to our business operations.

Nevertheless, we continuously assess, monitor and enhance our manufacturing capabilities and technologies to improve our process engineering skills, productivity and consistency of our quality. Please refer to Section 7.4 of this Prospectus for further details of our technology used.

7.12 FUTURE PLANS AND STRATEGIES

7.12.1 We intend to expand our manufacturing capacity by setting up a new automated body parts production line

Our manufacturing activities comprised the blanking line, body parts production line, seat structural parts production line and absorber parts production line. Notably, the utilisation rates for our body parts production line and seat structural parts production line were 84.19% and 94.85% respectively in FYE 2023; and 78.94% and 92.52% respectively for FPE 2024. As such, we plan to expand our manufacturing capacity to meet the anticipated increase in demand from its customers, premised on the rolling forecast provided to our Group as well as discussions with its customers.

As at the LPD, we have 4 body parts production lines which are all manually operated by our production workers and we intend to purchase 4 press machines as well as purchase and install automation equipment to set up a new automated body parts production line.

The new automated body parts production line will increase our manufacturing capacity for body parts production by 400 pieces per hour, which translates to an annual manufacturing capacity of 2,260,800 pieces. This will increase our annual manufacturing capacity for body parts production by 83.33% from 3,144,960 pieces to 5,765,760 pieces.

In addition to manufacturing body parts, the new automated body parts production line is also flexible to be utilised to manufacture seat structural parts in the event of insufficient capacity of our

7. BUSINESS OVERVIEW (Cont'd)

seat structural parts production line. As such, our Group intends to set up a new body parts production line instead of a seat structural parts production line despite the latter recorded higher utilisation rates at 43.19%, 87.67%, 94.85% and 92.52% in the Financial Periods Under Review respectively, as compared to the utilisation rates of body parts production line at 30.54%, 75.56%, 84.19% and 78.94% over the same period.

Further, the new automated body parts production line will also be installed with automation equipment such as robotic arms, which is expected to reduce manual labour involved from 5 production workers to 2 production workers for each line. We envisage a minimum cost savings of approximately RM0.25 million per annum from the reduced number of workers required to perform the aforementioned processes. In addition, by automating our new body parts production line, we could also achieve consistency in production time as the loading, unloading and transfer of input materials, finished parts and/or WIP pieces will be handled by the automation equipment.

The details of the components of the new automated body parts production line as well as services required for the commissioning of the production line, are as follows:

Components / services required	Description / function	Number of units	Total estimated cost (RM '000)
Press machines	To stamp metal sheets to form precisely-shaped parts and components	4	11,046
Robotic arms and accessories	To de-stack and load steel coil or steel cut sheets into the press machines, transfer WIP pieces from a press machine to another, as well as unload and transfer the completed parts to the designated area in the TPG Factory for inspection, packing and delivery.	7 ⁽¹⁾	2,950
Engineering services	Services provided by third party companies comprising system design, system test-run, operation training, on-site installation, commissioning and standby	Not applicable	850
Safety and operating system	IT system used to operate the production line, and to monitor / control the safety of the production line	1	700
			15,546

Note:

- (1) *Comprises 1 unit of robotic arm for de-stacking, 1 unit of robotic arm for loading of blanked pieces to the first press machine, 3 units of robotic arms for transfer of WIP pieces between press machines, 1 unit of robotic arm together with 1 unit of conveyor belt for unloading of finished parts from the last press machine to the designated area.*

The setup of the new automated body parts production line is estimated to cost RM15.55 million, which will be fully funded by our Public Issue proceeds. We intend to set up the new automated body parts production line within 24 months from our Listing.

The anticipated increase in our manufacturing capacity with the setup of the new automated body parts production line will allow us to accept more orders from our customers, which will in turn contribute to our overall financial performance and continue to fuel our business growth in the future.

7. BUSINESS OVERVIEW (Cont'd)

7.12.2 We will renovate our TPG factory to accommodate the installation of new machinery and equipment

As at the LPD, our Group operates solely from TPG Factory with a total built-up area of approximately 106,000.00 sq ft, including a double-storey office (built-up area: 5,847.00 sq ft) which houses our office workers to perform administrative tasks, as well as a single-storey factory (built-up area: 92,031.00 sq ft) which is used for our automotive parts and components manufacturing activities.

As part of our business expansion, we intend to expand our manufacturing capacity by setting up an additional automated body parts production line as detailed in Section 7.12.1 of this Prospectus. The setup of a new automated body parts production line involves installation of new machinery and equipment in our TPG factory, which include press machines, robotic arms, de-stacking equipment and conveyor belt. The installation of the automated body parts production line, in particular the installation of press machines, requires a reinforced ground. As such, we intend to renovate a section of our TPG Factory, mainly involving flooring reinforcement and foundation works, to accommodate the installation of these new machinery and equipment as well as to provide a safe workplace for and minimise the risk exposure of our workers. The renovation is not expected to result in any disruption to the business and operation of our Group.

The renovation is estimated to cost RM0.45 million, which will be funded by our Public Issue proceeds, and we expect to begin renovation works within 24 months from our Listing. The expected timeline for the completion of renovation, subject to obtaining relevant approvals, if required and to operationalise is expected to be within 6 months from the date of application of any required approvals.

7.12.3 We intend to purchase an additional overhead crane to accommodate our expansion in manufacturing capacity

As at the LPD, our Group has installed 2 overhead cranes in our TPG Factory, which are used to transfer dies between the dies storage space and the respective press machines. These 2 overhead cranes have a maximum lifting capacity 10 tons respectively, where the weight of our dies are 10 tons.

As our business continues to expand with the new automated body parts production line, we will also need to increase the lifting capacity of our overhead cranes to accommodate the increase in manufacturing activities. As such, we plan to purchase an overhead crane with a lifting capacity of approximately 15 tons, to provide us with additional lifting capacity, as well as to lift and transfer heavy dies between the dies storage space and the respective press machines. The purchase of the overhead crane is estimated to cost RM0.37 million, which will be funded by our Public Issue proceeds. We intend to purchase and commence the use of this overhead crane within 24 months from our Listing.

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7. BUSINESS OVERVIEW (Cont'd)**7.13 MAJOR CUSTOMERS**

Our top 5 major customers for the Financial Periods Under Review are as follows:

FYE 2021

Name	Products sold	Automotive vehicles which our products sold are used in	Revenue contribution		Length of relationship⁽¹⁾ (Years)
			(RM'000)	(%)	
Customer Group A ⁽²⁾	Automotive seat structures and absorber parts	Proton and Perodua	18,230	30.92	26 ⁽³⁾
Ingress Technologies Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	14,360	24.35	11
PHN Companies ⁽⁵⁾	Automotive body parts	Proton and Perodua	10,949	18.57	8
Autokeen Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	9,627	16.33	12
Sapura Machining Corporation Sdn Bhd	Automotive engine parts	Proton and Perodua	829	1.41	13
Total⁽⁶⁾			53,995	91.58	

FYE 2022

Name	Products sold	Automotive vehicles which our products sold are used in	Revenue contribution		Length of relationship⁽¹⁾ (Years)
			(RM'000)	(%)	
Customer Group A ⁽²⁾	Automotive seat structures and absorber parts	Proton and Perodua	35,810	30.81	27 ⁽³⁾
Autokeen Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	23,688	20.38	13
Ingress Technologies Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	22,491	19.35	12
PHN Industry Sdn Bhd	Automotive body parts	Proton and Perodua	21,306	18.33	9
Perodua Manufacturing Sdn Bhd	Automotive body parts	Perodua	3,161	2.72	6
Total⁽⁶⁾			106,456	91.59	

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2023**

Name	Products sold	Automotive vehicles which our products sold are used in	Revenue contribution		Length of relationship ⁽¹⁾ (Years)
			(RM'000)	(%)	
Customer Group A ⁽²⁾	Automotive seat structures and absorber parts	Proton and Perodua	43,183	37.85	28 ⁽³⁾
PHN Industry Sdn Bhd	Automotive body parts	Proton and Perodua	30,016	26.31	10
Autokeen Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	18,351	16.09	14
Ingress Technologies Sdn Bhd ⁽⁴⁾	Automotive body parts	Perodua	11,394	9.99	13
Sapura Machining Corporation Sdn Bhd	Automotive engine parts	Proton	1,519	1.33	15
Total⁽⁶⁾			104,463	91.57	

FPE 2024

Name	Products sold	Automotive vehicles which our products sold are used in	Revenue contribution		Length of relationship ⁽¹⁾ (Years)
			(RM'000)	(%)	
Customer Group A ⁽²⁾	Automotive seat structures and absorber parts	Proton and Perodua	19,325	36.93	29 ⁽³⁾
PHN Industry Sdn Bhd	Automotive body parts	Proton and Perodua	12,894	24.64	11
Autokeen Sdn Bhd ⁽⁴⁾	Automotive body parts	Proton and Perodua	9,078	17.35	15
Ingress Technologies Sdn Bhd ⁽⁴⁾	Automotive body parts	Perodua	5,842	11.16	14
Sapura Machining Corporation Sdn Bhd	Automotive engine parts	Proton	931	1.78	16
Total⁽⁶⁾			48,070	91.86	

Notes:

- (1) Length of relationship with our major customers is calculated based on the first transaction with these customers up to the respective Financial Periods Under Review.
- (2) We transacted directly with 8 subsidiaries under Customer Group A and these companies are incorporated in Malaysia. Consent was sought for the disclosure of the identity of Customer Group A but was not obtained. As such, the identity of Customer Group A shall not be disclosed in the Prospectus.
- (3) Length of relationship with Customer Group A began in 1995 under KHEI, whereby all operations under KHEI, including transactions with Customer Group A, were transferred to AGSB in 2018.

KHEI was an entity incorporated by See Ming Hoi (the father of Datin Eloise and Ivy See) and Tiu Kuang Hong, which commenced manufacturing and sales of automotive parts and components in 1995. In 2018, all operations under KHEI were transferred to AGSB to streamline and consolidate the Group's business operations under 1 entity and since then, KHEI and since then, ceased operations in relation to the manufacturing of automotive parts and components in 2018.

7. BUSINESS OVERVIEW (Cont'd)

- (4) *Despite being our customers, these companies are deemed industry players, as set out in Section 8 IMR Report of this Prospectus, due to their involvement in the manufacturing of metal stamped automotive parts and components either as Tier 1 manufacturers or Tier 2 manufacturers. However, not all our customers are deemed industry players, as they may also be involved in the manufacturing and/or assembly of automotive parts and components that our Group does not offer (e.g. coil springs, air conditioning systems, chassis, plastic interior parts, automotive seat assemblies, automotive engines, transmission, amongst others). Further, they may also have different manufacturing capabilities such as precision machining, hot and cold coiling, roll forming and laser cutting, whereas our Group is mainly involved in metal stamping.*
- (5) *Comprises PHN Industry Sdn Bhd and Oriental Summit Industries Sdn Bhd. Oriental Summit Industries Sdn Bhd was acquired by PHN Industry Sdn Bhd in 2017. The Group's sales to Oriental Summit Industries Sdn Bhd have been transferred to PHN Industry Sdn Bhd effective from November 2021. Since then, the Group solely deals with PHN Industry Sdn Bhd.*
- (6) *Excludes sales of steel scrap to licensed scrap recycling/collecting companies, whereby the total sale of steel scrap in the Financial Periods Under Review was RM3.62 million, RM7.48 million, RM7.70 million and RM3.36 million respectively, accounting for approximately 6.13%, 6.43%, 6.75% and 6.42% of our total revenue respectively. Sale of steel scrap is a residual income from the waste generated during the production of the main products. As such, licensed steel scrap collectors are not deemed as major customers for our Group.*

In the Financial Periods Under Review, our top 5 major customers collectively contributed 91.58%, 91.59%, 91.57% and 91.86% of our Group's total revenue, respectively. Save for Perodua Manufacturing Sdn Bhd which is a local automotive manufacturer, our top 5 major customers in the Financial Periods Under Review are Tier 1 Suppliers/Manufacturers of local automotive manufacturers. In the Financial Periods Under Review, our Group had a total of 16, 14, 14 and 11 customers respectively.

We are dependent on Customer Group A, who contributed more than 25.00% of our Group's revenue in each of the Financial Periods Under Review; PHN Companies and Autokeen Sdn Bhd which contributed more than 10.00% to our Group's revenue in each of the Financial Periods Under Review; as well as Ingress Technologies Sdn Bhd, who contributed more than 10.00% to our Group's revenue in the FYE 2021 and FYE 2022 and FPE 2024. As their collective contribution in the Financial Periods Under Review accounted for more than 85.00% of our Group's revenue, if any one of them ceases to engage us, we may experience a significant reduction in sales, which could result in a loss of revenue, given that we may not be able to replace these customers with new customers or with additional sales from existing customers in a timely manner. Additionally, our revenue from these major customers fluctuated over the Financial Periods Under Review, whereby further details are set out in Section 12.3.2 (i) of this Prospectus.

Despite our dependency on Customer Group A, PHN Companies, Autokeen Sdn Bhd and Ingress Technologies Sdn Bhd, we foresee these customers will continue to engage us in future due to the following:

- (i) these major customers have been our customers for between 11 and 29 years as at the LPD. We believe that our long-term relationship and our ability to continuously meet their expectation over the years have made us a trusted supplier to these major customers;
- (ii) throughout our business relationship with these major customers, we have been able to meet the requirements of these customers. Our performance has been continuously monitored by these major customers with each order delivered, periodic performance review, product quality rating, timely delivery, cost competitiveness and annual audit. Any complaints has been rectified and addressed accordingly;
- (iii) our Group is an approved manufacturer of these major customers and their respective local automotive manufacturers, whereby our Group has complied with stringent supplier selection processes prior to being admitted to be their approved manufacturer;

7. BUSINESS OVERVIEW (Cont'd)

- (iv) it is unlikely for our customers to cease the purchase of existing parts and components from us or to appoint other manufacturers to manufacture and supply the same parts and components as the appointment of new suppliers is a lengthy process and required high upfront investment. Further, the switch from one supplier to another may lead to prolonged downtime which may cause major disruption to the supply chain of the assembly of a particular vehicle model; and
- (v) these major customers have consistently provided our Group with a rolling forecast of up to 6 months for their demand for our parts and components due to our ability to meet our customers' requirements. While the forecast provided by these major customers is not secured orders; however, based on historical trend, the forecast provided is reflective of actual sales secured with these major customers.

Further, as our parts and components are ultimately supplied to the local automotive manufacturers, namely Proton and Perodua, for assembly into complete automotive vehicles, if any of our major customers, who are the Tier 1 Suppliers/Manufacturers of the local automotive manufacturers, cease to operate or fail to secure new projects/contracts with the local automotive manufacturers, we may approach other Tier 1 Suppliers/Manufacturers of the local automotive OEMs who have been awarded the new projects/contracts. As such, we will be able to replace the lost of any of our major customers as long as we continue to maintain good track record in the industry as a trusted parts and components manufacturer, along with on-going enhancement in our manufacturing capability to meet our customers' requirements and fulfil orders in a timely manner.

Therefore, we believe that with continuous improvement in our engineering expertise and manufacturing capabilities, maintenance of our product quality, timely delivery and cost competitiveness as well as our long-term business relationship with our customers, we will be able to continue securing sales from our customers.

7.14 MAJOR SUPPLIERS

Our top 5 major suppliers for the Financial Periods Under Review are as follows:

FYE 2021

Name	Products purchased	Purchase value		Length of relationship⁽¹⁾ (Years)
		(RM'000)	(%)	
Hanwa Steel Centre (M) Sdn Bhd	Steel coil, steel cut sheets and accessories	9,849	21.13	8
Posco-Mkpc Sdn Bhd	Steel coil and steel cut sheets	9,573	20.54	7
PHN Companies ⁽²⁾⁽³⁾	Steel coil and steel cut sheets	9,111	19.55	8
Autokeen Sdn Bhd	Steel coil and steel cut sheets	8,313	17.84	8
Nicom Steel Centre (M) Sdn Bhd	Steel coil and steel cut sheets	3,420	7.34	9
	Total	40,266	86.40	

7. BUSINESS OVERVIEW (Cont'd)**FYE 2022**

Name	Products purchased	Purchase value		Length of relationship⁽¹⁾ (Years)
		(RM'000)	(%)	
Hanwa Steel Centre (M) Sdn Bhd	Steel coil and steel cut sheets	23,538	27.56	9
Autokeen Sdn Bhd	Steel coil and steel cut sheets	18,897	22.13	9
PHN Industry Sdn Bhd ⁽³⁾	Steel coil and steel cut sheets	15,699	18.38	9
Posco-Mkpc Sdn Bhd	Steel coil and steel cut sheets	15,398	18.03	8
Nicom Steel Centre (M) Sdn Bhd	Steel coil and steel cut sheets	5,467	6.40	10
Total		78,999	92.50	

FYE 2023

Name	Products purchased	Purchase value		Length of relationship⁽¹⁾ (Years)
		(RM'000)	(%)	
Hanwa Steel Centre (M) Sdn Bhd	Steel coil and steel cut sheets	28,690	33.58	10
PHN Industry Sdn Bhd ⁽³⁾	Steel coil and steel cut sheets	23,441	27.43	10
Autokeen Sdn Bhd	Steel coil and steel cut sheets	15,219	17.81	10
Posco-Mkpc Sdn Bhd	Steel coil and steel cut sheets	10,028	11.74	9
Tashin Steel Sdn Bhd	Steel coil and steel cut sheets	3,398	3.98	10
Total		80,776	94.54	

FPE 2024

Name	Products purchased	Purchase value		Length of relationship⁽¹⁾ (Years)
		(RM'000)	(%)	
Hanwa Steel Centre (M) Sdn Bhd	Steel coil and steel cut sheets	13,472	34.89	11
PHN Industry Sdn Bhd ⁽³⁾	Steel coil and steel cut sheets	9,556	24.74	11
Autokeen Sdn Bhd	Steel coil and steel cut sheets	7,589	19.65	11
Posco-Mkpc Sdn Bhd	Steel coil and steel cut sheets	4,706	12.19	10
Tashin Steel Sdn Bhd	Steel coil and steel cut sheets	1,189	3.08	11
Total		36,512	94.55	

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) *Length of relationship with our major suppliers is calculated based on the first transaction with these suppliers up to respective Financial Periods Under Review.*
- (2) *Comprises PHN Industry Sdn Bhd and Oriental Summit Industries Sdn Bhd. Oriental Summit Industries Sdn Bhd was acquired by PHN Industry Sdn Bhd in 2017. The Group's sales to Oriental Summit Industries Sdn Bhd have been transferred to PHN Industry Sdn Bhd effective from November 2021. Since then, the Group solely deals with PHN Industry Sdn Bhd.*
- (3) *Being steel material purchased directly from the customers of the Group. Under this arrangement, the market price fluctuations of steel coils and steel cut sheets are absorbed by these customers.*

For the Financial Periods Under Review, the total purchases from our top 5 major suppliers collectively contributed 86.40%, 92.50%, 94.54% and 94.55% to our Group's total purchases respectively. These top 5 major suppliers supplied our Group with steel coils and steel cut sheets, which are the key raw materials used in the manufacturing of our automotive parts and components.

Our top 5 major suppliers in the Financial Periods Under Review comprise steel suppliers approved by local automotive manufacturers, as well as their respective Tier 1 Suppliers/Manufacturers who are also our customers. We purchase steel materials from steel suppliers or from our customers depending on our customers' procurement arrangement. Please refer to Sections 7.3.1 and 7.9.1 of this Prospectus for further information on the procurement arrangements with our customers.

Whether we purchase steel materials from approved steel suppliers or from our customers, the type of steel materials required for the manufacturing of automotive parts and components are discussed and determined directly between the local automotive manufacturers and approved steel suppliers, and shared with their respective Tier 1 Suppliers/Manufacturers. Steel materials required are ultimately sourced from the same group of approved steel suppliers by the local automotive manufacturers, whereby the steel materials required are generally available. If there are shortages of supply from any approved steel suppliers, we will source the steel materials from other approved steel suppliers of the local automotive manufacturers. In addition, our major customers as well as the local automotive manufacturers who we supply automotive parts and components to, are invested to ensure there are no supply shortages or delays that will lead to any delays in the fulfilment of their orders. Therefore, we are not dependent on our major suppliers.

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7. BUSINESS OVERVIEW (Cont'd)**7.15 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS**

Save as disclosed below, as at the LPD, our Group is not dependent on any contracts or agreements including commercial and financial contracts which are material to our business or profitability:

(i) Subsidiary 1 of Customer Group A⁽¹⁾ – Letter of Intent in respect of Manufacture of Parts dated 21 May 2013 (“A1 LOI”)

Contracting Parties	AGSB and Subsidiary 1 of Customer Group A
Tenure	The A1 LOI is not subject to any fixed tenure or duration.
Description	The A1 LOI sets out the general terms and conditions governing the manufacturing of parts for Proton GSC model P2-30A for Subsidiary 1 of Customer Group A by AGBS.
Exclusivity	Nil.
Main Product	Parts for Proton GSC model P2-30A.
Undertaking by AGBS	AGSB hereby undertakes that it shall not sell/ supply or attempt to sell/ supply the parts to any third party other than to Subsidiary 1 of Customer Group A and/ or its appointed agent. In the event of breach of such undertaking, AGBS shall compensate Subsidiary 1 of Customer Group A for any direct and indirect, incidental, consequential or special damages/ losses, including but not limited to cost of manufacture of the parts and loss of profits.
Late Delivery	<p>AGSB is responsible to meet Subsidiary 1 of Customer Group A's delivery requirement date based on the delivery schedule(s) in the drawings and data sheet.</p> <p>Any delay in meeting the timeline for the deliverables that result in the following additional costs and expenses shall be fully borne by AGBS:</p> <ul style="list-style-type: none"> (i) down time; (ii) recorded man-hours; and (iii) freight charges. <p>Such costs and expenses to be borne by AGBS shall be reasonable and to be agreed mutually by the parties.</p>
Product Quality	<p>AGSB is responsible to ensure the strict compliance of the part quality and validation confirmation in accordance with Subsidiary 1 of Customer Group A's requirements for purpose of meeting the Design Concept Sheet (DCS)/ applicable Proton Engineering Standards and its related specifications.</p> <p>If AGBS fails to meet the part quality or the validation confirmation that results in the inability to proceed with the manufacture process, then AGBS shall be liable to pay to Subsidiary 1 of Customer Group A the resources and expenses incurred by Subsidiary 1 of Customer Group A, the amount of which shall be negotiated and agreed mutually by AGBS and Subsidiary 1 of Customer Group A.</p> <p>AGSB hereby warrants that the parts shall be of merchantable quality and fit for the purpose of or the intended use of Subsidiary 1 of Customer Group A and free from any manufacturing and assembly defects in material and workmanship and shall confirm to all of the specifications furnished by Subsidiary 1 of Customer Group A and/ or Proton and/ or its designated entity. AGBS shall indemnify and keep indemnified Subsidiary 1 of Customer Group</p>

7. BUSINESS OVERVIEW (Cont'd)

	A against any and all claims, demands, expenses, costs suffered or sustained directly or indirectly by Subsidiary 1 of Customer Group A whether as a result of or in connection with the parts and/ or the manufacture thereof or otherwise.
Confidentiality	AGSB shall not disclose, directly or indirectly, to any person any information (including but not limited to the technical documentation, product-related information as well as other information relating or belonging to Subsidiary 1 of Customer Group A or Proton irrespective of the form and/ or nature of the information and irrespective of the date of communication of such information) disclosed or made available to it under this Letter or the transactions pursuant to or arising from this Letter unless otherwise instructed or consented to in advance by Subsidiary 1 of Customer Group A or Proton in writing. Notwithstanding the foregoing, AGSB shall be permitted to disclose such information to its directors, officers, employees or sub-contractors on a need to know basis, strictly for the purpose of this Letter only and shall ensure that such persons are aware of and undertake to maintain the confidential nature of such information.
Termination	Nil.

Sales to Subsidiary 1 of Customer Group A is also governed by additional terms set out in purchases orders issued by Subsidiary 1 of Customer Group A. The salient term of the latest purchase order issued by Subsidiary 1 of Customer Group A as at the LPD is as follows:

Payment Terms	90 days term.
Delivery	AGSB agrees that time is of the essence. AGSB shall deliver the goods and/ or services in the manner as prescribed in the purchase order as failing which Subsidiary 1 of Customer Group A shall be entitled to claim from AGSB and AGSB shall compensate Subsidiary 1 of Customer Group A for all losses incurred by Subsidiary 1 of Customer Group A because of such failure.
Confidentiality	AGSB shall ensure that all information in connection with the purchase order shall be kept confidential at all times and shall be used by AGSB for the purposes of the purchase order only unless agreed otherwise by Subsidiary 1 of Customer Group A in writing. This covenant shall survive the termination and expiry of the purchase order.

Note:

- (1) *The name of Customer Group A, has not been disclosed due to a confidentiality requirement in our letter of intent in respect of manufacturing of parts with Subsidiary 1 of Customer Group A. Consent was sought for disclosure of the identity of Customer Group A but was not obtained. As such, the identity of Subsidiary 1 of Customer Group A is not disclosed in this Prospectus.*
- (ii) **Subsidiary 2 of Customer Group A⁽¹⁾ – Part Approval and Mass Production Notice for Model D87A and Letters of Appointment as Part Supplier for Model D20N, Model D38L (D12H) Aruz, Model D55L Ativa and Model D74A (collectively referred to as “A2 Agreements”)**

Contracting Parties	AGSB and Subsidiary 2 of Customer Group A
Tenure	The A2 Agreements are not subject to any fixed tenure or duration.
Description	The A2 Agreements set out the general terms and conditions governing the appointment of AGSB as Subsidiary 2 of Customer Group A's manufacturer to manufacture parts for models D87A, D20N, D38L (D12H) Aruz, D55L Ativa

7. BUSINESS OVERVIEW (Cont'd)

	and D74A.
Exclusivity	Nil.
Main Product	Parts for models D87A, D20N, D38L (D12H) Aruz, D55L Ativa and D74A.
Warranty	<u>For models D20N, D38L (D12H) Aruz, D55L Ativa and D74A only:</u> The warranties given by AGSB for the vehicle parts shall be from the time the vehicle parts are delivered to Subsidiary 2 of Customer Group A's main customer for a period: (i) 36 months after initial delivery of the vehicle to the original purchaser; or (ii) 100,000km of distance traveled by the said vehicle, whichever shall occur first.
Supply for Replacement Market	<u>For models D38L (D12H) Aruz, D55L Ativa and D74A only:</u> AGSB undertakes to continue to supply the appointed parts for the replacement market (regardless the quantity) for a period of 10 years after the run out of the model.
Termination Notice	<u>For models D55L Ativa and D74A only:</u> If AGSB withdraw business, AGSB has to give a minimum of 6 months' written notice to Subsidiary 2 of Customer Group A specifying the reason of withdraw.

Sales to Subsidiary 2 of Customer Group A are also governed by additional terms set out in purchases orders issued by Subsidiary 2 of Customer Group A. The salient terms of the latest purchase order issued by Subsidiary 2 of Customer Group A as at the LPD are as follows:

Payment terms	60 days from invoice date.
Delivery	AGSB agrees that time is of the essence. AGSB shall deliver the goods and/ or services in the manner as prescribed in the purchase order as failing which Subsidiary 2 of Customer Group A shall be entitled to claim from AGSB and AGSB shall compensate Subsidiary 2 of Customer Group A for all losses incurred by Subsidiary 2 of Customer Group A because of such failure.
Confidentiality	AGSB shall ensure that all information in connection with the purchase order shall be kept confidential at all times and shall be used by AGSB for the purposes of the purchase order only unless agreed otherwise by Subsidiary 2 of Customer Group A in writing. This covenant shall survive the termination and expiry of the purchase order.

Note:

- (1) *The name of Customer Group A, has not been disclosed due to a confidentiality requirement in the purchase orders issued by Subsidiary 2 of Customer Group A. Consent was sought for disclosure of the identity of Customer Group A but was not obtained. As such, the identity of Subsidiary 2 of Customer Group A is not disclosed in this Prospectus.*
- (iii) **Ingress Technologies Sdn Bhd ("ITSB") – Letter of Appointment to Supply Parts for ITSB D87A Project (Perodua) dated 26 March 2015 ("ITSB LOI")**

Contracting Parties	AGSB and ITSB
Tenure	The ITSB LOI is not subject to any fixed tenure or duration.
Description	The ITSB LOI sets out the general terms and conditions governing the appointment of AGSB as ITSB's supplier to supply parts for ITSB's D87A

7. BUSINESS OVERVIEW (Cont'd)

	Project (Perodua).
Exclusivity	Nil.
Main Product	Parts for ITSB's D87A Project (Perodua).
Product Quality	The parts to be supplied shall in every material aspect, comply with the quality, specifications, warranties and other requirements as specified by ITSB and shall at all times be supplied within the costs as quoted in the quotation.
Termination	In the event the project awarded by Perodua to ITSB is terminated or withdrawn by Perodua due to any reasons whatsoever, ITSB reserves the right to terminate this appointment at any time by written notice and ITSB shall not be liable for any costs, loss of profits, expenses, claims and damages whatsoever arising out of the termination. All samples and/or documents produced pursuant hereto shall upon termination, be returned to ITSB or destroyed/ disposed of in such manner as shall be directed by ITSB in writing.

Sales to ITSB is also governed by additional terms set out in purchases orders issued by ITSB. The salient term of the latest purchase order issued by ITSB as at the LPD is as follows:

Payment Terms	Payment shall be made within 60 days after acceptance of completed delivery unless otherwise agreed.
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(iv) Autokeen Sdn Bhd ("AKSB") – Letter of Intent to Supply Part dated 3 December 2013 ("AKSB LOI")

Contracting Parties	AGSB and AKSB
Tenure	AKSB LOI is not subject to any fixed tenure or duration.
Description	The Letter sets out the general terms and conditions governing the manufacturing of products for AKSB in accordance with part price quotations and purchase orders to be issued from time to time.
Exclusivity	Nil.
Main Product	Car inner body blanking parts for Perodua models Axia and Bezza
Termination	If termination occurs for any reason whatsoever, all samples and/ or documents produced pursuant to the letter of intent shall be treated as confidential and shall be surrendered to AKSB and/ or destroyed and/ or disposed in such manner as shall be instructed by AKSB in writing;

Sales to AKSB is also governed by additional terms set out in the purchases orders issued by AKSB and quotations issued by AGBS. The salient term of the latest purchase order issued by AKSB and quotation issued by AGBS as at the LPD is as follows:

Changes	AGSB reserves the right at any time, by written notice to AKSB under the quotation to provide a revised quotation for the parts, in any event, there is a discrepancy of the actual weight of the parts as compared to the weight of the parts being provided, represented, and communicated to AGBS for its use in its calculation until the cessation of the supply agreement between the parties. AGBS shall reserve the right to terminate the supply of the parts by giving a due notification, in the event AKSB not agreeable to the revised quotation.
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7. BUSINESS OVERVIEW (Cont'd)

Payment Terms	<p>Depending on the terms of the applicable purchase order, the payment term will range from 30 days to 60 days.</p> <p>For delayed payments, AKSB shall be liable to pay interest at 1.5% per month calculated from each calendar date of delayed from the date of the invoice. Failing which AGSB shall have the right to suspend further the supply of parts hereunder, without prejudice to all other rights provided herein.</p>
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(v) PHN Industry Sdn Bhd ("PHN")

Contracting Parties (categorized by the types of document)	<p>(A) AGSB and PHN – Notification of Toolings Transfer for Perodua Axia/ Bezza Blanking Parts, dated 27 May 2022 for Product A, as defined below ("Notification");</p> <p>(B) AGSB, Oriental Summit Industries Sdn Bhd and PHN – 2 Novation Agreements, dated 11 October 2021⁽¹⁾ for Products B & C below respectively (collectively, "Novation Agreements"); and</p> <p>(C) AGSB and PHN – 3 Letters of Appointment to Supply Parts⁽²⁾, dated 4 November 2016; 13 April 2016; and 20 January 2015 for Products D; E; & F below respectively (collectively, "Letters of Appointment"),</p> <p>(collectively, the "PHN Agreements").</p>
Tenure	The PHN Agreements are not subject to any fixed tenure or duration.
Description	The Novation Agreements set out the operations of Oriental Summit Industries Sdn Bhd being novated to PHN whereas the Letters of Appointment to supply parts set out AGSB's responsibility to manufacture and produce parts as may be specifically identified in letter of appointment from time to time by PHN to AGSB, which includes the general terms and conditions governing the manufacturing of products for PHN in accordance with part price quotations and purchase orders to be issued from time to time.
Exclusivity	Nil.
Main Product	<p><u>(1) Under the Notification:</u></p> <p>(a) Product A – parts for Models Perodua Axia/ Bezza.</p> <p><u>(2) Under the Novation Agreements:</u></p> <p>(a) Product B – parts for Models Iriz/Persona.</p> <p>(b) Product C – parts for Models Axia, Myvi, Exora and Iriz/Persona.</p>
	<p><u>(3) Under the Letters of Appointment</u></p> <p>(a) Product D – parts for Models P6-20A, P3-21A and P3-22A.</p> <p>(b) Product E – parts for Models P6-20A, P3-21A/ P3-22A, P2-30A/ P2-31A and P2-11C.</p> <p>(c) Product F – parts for Model P2-11C.</p>
Governing Law / Jurisdiction	The laws of Malaysia/ Court of Malaysia.

7. BUSINESS OVERVIEW (Cont'd)

<p>Termination/ Events of Default</p>	<p><u>In regard to products under the Notification and Novation Agreements only:</u></p> <p><u>(1) Termination</u></p> <p>(a) This agreement shall terminate and neither party shall have right or to take resource against the other party upon the happening of any of the events listed, whichever earlier:</p> <p>(aa) either party breaches, defaults or delay in the performance of this agreement and fails to cure such breach, default or delay within 90 days after receipt of written notice by the other party of such breach, default or delay;</p> <p>(bb) an administration measure such as the revocation of a license for business or an injunction for suspending business is taken by any authority or person against either party;</p> <p>(cc) a petition for winding, reorganization, corporate rehabilitation or composition is filed against or on behalf of either party or any other event similar thereto occurs;</p> <p>(dd) a provisional attachment, provisional injunction, compulsory execution or any other disposition similar thereto is made by any third party against all or substantially all of the assets of either party;</p> <p>(ee) either party resolves its dissolution or consolidates with or merges into any other company; or</p> <p>(ff) a situation of force majeure set forth in clause 8 hereof continues for more than 60 days.</p> <p>(b) Notwithstanding anything herein contained, either party shall reserve the right to terminate this award by giving one (1) month notice in writing to the other party of its intention to do so prior to the expiration of the term or any other term herein agreed by the parties and upon expiry of the said notice, and subject to the settlement of all outstanding payments to AGSB, this appointment shall be absolutely determined.</p> <p><u>(2) The treatment after expiration or termination</u></p> <p>(a) In the event this agreement expires or terminates pursuant to the Termination clause hereof, any obligation of either party which has accrued at or prior to the expiration or termination of this agreement shall remain in effect and shall be performed as required under this agreement unless otherwise agreed upon by the other party in writing.</p> <p>(b) The provisions of clauses on "Cost and Part(s) Price", "Delivery" and "Payment Terms – Part(s) Price" as well as other provisions which are intended to remain binding upon the parties hereto after the expiration or termination of this agreement shall survive.</p> <p>(c) Any unsettled liabilities of AGSB under this agreement shall fall due and become payable upon the date of expiration or termination of this agreement and AGSB shall immediately settle such liabilities in full.</p>
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7. BUSINESS OVERVIEW (Cont'd)

	<p>(d) Whether or not this agreement remains in effect, both parties shall perform the obligations stipulated herein after the expiration or termination of this agreement.</p> <p><u>In regard to products under the Letters of Appointment only:</u> PHN reserve the rights to revoke or terminate their appointment in the event that AGSB fail to comply with any of the terms and conditions stated without any liability to PHN, for any reason whatsoever.</p>
Payment Terms	<p>Payment term for part is 60 days upon end of delivery month from the date of receipt of original invoice from the supplier.</p> <p>All charges shall be based on the purchase order as stated in the respective PHN Agreements and any other subsequent purchase orders that prescribe new charges (with prior written agreement and approval).</p>
Force Majeure	<p><u>In regard to products under the Notification and Novation Agreements only:</u> AGSB shall not be liable for any stoppage or disruption (delays) due to any force majeure event(s) (i.e. unforeseeable circumstance that is beyond neither PHN nor AGSB's control) which may directly or indirectly affect the progress of the development.</p>
Confidentiality	<p>If termination occurs for any reason whatsoever, all equipment's, samples and/or documents produced to this appointment shall be treated as confidential and shall be surrendered to us and/or destroyed and/or disposed in such manner as shall be instructed by PHN in writing. PHN will reimburse the agreed development cost incurred by AGSB within 60 days from the receipt of AGSB's invoice (if applicable).</p>
Product Warranty	<p><u>In regard to products under the Novation Agreements and Letters of Appointment only:</u> AGSB shall warrant that the part(s) shall be free from any manufacturing and/or material defects for a period of 2 years from the date of supply of the part(s) to PHN.</p>
Undertaking by AGSB	<p><u>In regard to products under the Novation Agreements only:</u> AGSB undertaken to supply REM Parts of certain vehicles for a further period of 10 years after the rundown of production of such vehicle and shall not modify, transfer, or dispose of any mould, tool, or jig used in the manufacture of the products without the written consent from PHN.</p> <p>AGSB agrees to supply REM parts to PHN Group or any party nominated by PHN Group. Failing which, PHN Group may terminate this agreement and penalty shall be imposed for any reimbursement for any losses (if any).</p>

Notes:

- (1) *There are two novation agreements entered into by AGSB, Oriental Summit Industries Sdn Bhd and PHN, governing supply of different products but the terms and conditions agreed are largely similar and our Group has decided to disclose in this table altogether.*
- (2) *There are three letters of appointment to supply parts entered into by AGSB and PHN, governing supply of different products but the terms and conditions agreed are largely similar and our Group has decided to disclose in this table altogether.*

7. BUSINESS OVERVIEW (Cont'd)

7.16 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Our Group is dependent on the following major approvals, licences and permits for our operations. As at the LPD, details of the major approvals, licences and permits, together with salient conditions imposed and status of compliance, are as follows:

No	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Reference No.	Issuance Date/ Expiry Date	Equity and/or salient conditions imposed	Status of compliance
1.	AGSB	Kuala Langat Municipal Council ("KLMC")	Business Premises and Billboard Licence for manufacturing / selling spare parts and storage of goods at TPG Factory	Account No: 030000000102609	Validity period: 1 January 2024 to 31 December 2024 ⁽¹⁾	-	-
2.	AGSB	Land Public Transport Commission	Operator's licence for operating goods vehicles pursuant to Land Public Transport Act 2010	Licence No: 403574-H(LA) Serial No: L099592	2 September 2020 / 2 October 2025 Effective Date: 1 September 2020	(a) The licence must be renewed at least 90 days from its expiry. (b) Section 70(1) of the Land Public Transport Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.	Noted Noted
						(c) Section 72(3)(a) of the Land Public Transport Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport immediately of any change of control of the licence holder.	Noted

7. BUSINESS OVERVIEW (Cont'd)

No	Company	Approving authority/ issuer	Description of approval/ licence / approval	Licence/ Reference No.	Issuance Date/ Expiry Date	Equity and/or salient conditions imposed	Status of compliance
3.	AGSB	MITI	Manufacturing Licence for manufacturing of metal stamped parts	<p>Licence No: A024761</p> <p>Serial No: A041158</p>	<p>16 December 2022⁽²⁾/ Nil</p> <p>Effective Date: 13 September 2022</p>	<p>(a) MITI and MIDA shall be notified of any sale of shares in AGSB.</p> <p>(b) The total full-time workforce of AGSB shall comprise of at least 80% Malaysians by 31 December 2024. Employment of foreign workers including outsourced workers is subject to current policies.</p> <p>(c) AGSB shall submit information on the performance of its investment and project implementation of its projects under Industrial Co-Ordination Act 1975 and the Malaysian Investment Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit such information may result in AGSB:</p> <p>(i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or</p>	<p>Complied⁽³⁾</p> <p>To be complied⁽⁴⁾</p> <p>Noted</p>

7. BUSINESS OVERVIEW (Cont'd)

<u>No</u>	<u>Company</u>	<u>Approving authority/ issuer</u>	<u>Description of approval/ licence / approval</u>	<u>Licence/ Reference No.</u>	<u>Issuance Date/ Expiry Date</u>	<u>Equity and/or salient conditions imposed</u>	<u>Status of compliance</u>
						(ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both.	
						(d) AGSB shall implement its project as approved and in accordance with the laws and regulations of Malaysia.	Complied

Notes:



- (1) *Given that the business premises and billboard licence is renewable on an annual basis and it is expiring on 31 December 2024, AGSB will submit the application for renewal to KLMC by early December 2024. As at the LPD, we have not experienced any non-approval by KLMC for the renewal of business premises and billboard licence.*
- (2) *AGSB's shareholders' funds had in its financial year ended 30 September 2007 (amounted to approximately RM3.17 million) exceeded RM2.50 million and was required to have a manufacturing licence. Between 30 September 2007 to 12 September 2022, AGSB had no manufacturing licence for TPG Factory. The manufacturing licence, which has since been issued on 16 December 2022, is effective from 13 September 2022. As at the LPD, AGSB has not received any penalty for this past non-compliance. Please refer to Section 7.20 (i) of this Prospectus for further details on this past non-compliance.*
- (3) *AGSB has on 20 February 2024 sent a written notification to MITI and MIDA on our internal restructuring, as per the condition imposed by this manufacturing licence.*
- (4) *As at the LPD, the total full-time workforce of AGSB comprises 57 Malaysians (representing approximately 29.23% of its total workforce of 195 employees). We have on 21 February 2024 applied to MITI for extension of time to comply with this requirement by 30 June 2026. As at the LPD, we have not received any feedback from MITI. Please refer to Section 7.21 of this Prospectus for further details.*

As at the LPD, our Group has the necessary government approvals, authorisations, licences or permits of any nature whatsoever which are required under any law, decree or regulation to carry on our business and operations and all such approvals, authorisations, licences or permits are still valid and the same has not been revoked or threatened to be revoked.

7. BUSINESS OVERVIEW (Cont'd)

7.17 INTELLECTUAL PROPERTY

As at the LPD and save as disclosed below, our Group does not have any other intellectual property rights registered and/or in the process of registration.

No.	Trademark	Issuing authority	Registered owner/ Name of Applicant	Trademark number/ Application number	Description	Status / Validity Period
1.		MyIPO	Company	TM2023017019	Class 40 ⁽¹⁾	Registered/ 15 June 2023 – 15 June 2033
2.		MyIPO	AGSB	TM2023017830	Class 40 ⁽²⁾	Registered/ 22 June 2023 – 22 June 2033

Notes:

- (1) Custom manufacture of moulded components; die casting; laser scribing; metal casting; metal fabrication and finishing services; metal stamping; welding services.
- (2) Metal stamping; metal moulding; metal fabrication and finishing services; casting of metal; hardening of metals; metalworking; refining of metals; treating of metal.

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7. BUSINESS OVERVIEW (Cont'd)

7.18 PROPERTIES, PLANT AND EQUIPMENT

7.18.1 Property owned by our Group

A summary of the material land and building owned by our Group as at the LPD is as follows:

Property	TPG Factory
Title details	GM 2655, Lot 2228, in Mukim Telok Panglima Garang, Daerah Kuala Langat, Selangor
Registered owner	AGSB
Property address	Lot 2228, Jalan Kasawari, Kawasan Perusahaan Kebun Baru, Batu 9, Kg. Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan
Description / Existing use of property	A single storey factory cum double storey office / Manufacturing and office
Approximate age of building	17 years
Date of CCC or CF	18 December 2018
Category of land use / Express conditions of land use	Industrial / Light Industry
Land area / Built-up area	16,312.87 sq. m. / 9,823.98 sq. m.
Restrictions in interest / Material encumbrance(s)	Nil / Charge (Presentation No. 852/2019) registered in favour of Alliance Bank Malaysia Berhad on 11.03.2019
Tenure / Date of expiry of lease	Freehold
Audited NBV as at 31 December 2023	Freehold land: RM13,421,500 Factory building: RM1,098,348

As at the LPD, the properties owned by our Group are not in breach of any land use conditions, current statutory requirements, land rules and/or building regulations/by-laws.

7. BUSINESS OVERVIEW (Cont'd)

7.18.2 Properties rented by our Group

A summary of the material properties rented by our Group as at the LPD is as follows:

No.	Registered Owner(s)	Location / Address / Title Details	Existing Use	Land / Built-up Area (sq. m.)	Date of CF / CCC Issuance	Tenure Tenancy	of Rental annum	per
1.	Gan Huat	Hock No. 51, Jalan Nipah 18, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor/ HSD 29926, PT 991, Pekan Telok, Daerah Kuala Langat	Local and foreign workers' accommodation	121 / 154.22	12 January 2015	1 year with an option to renew for 1 year	RM10,800 (RM900 month)	per
2.	Gan Ling	Poh No. 37, Jalan Nipah 18, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / HSD 29933, PT 998, Pekan Telok, Daerah Kuala Langat	Local workers' accommodation	121 / 154.22	12 January 2015	1 year with an option to renew for 1 year	RM10,200 (RM850 month)	per
3.	Lee Eng	Teck No. 22, Jalan Pandan 11, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / GRN 109165, Lot 8527 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	121 / 180.88	12 October 1999	1 year with an option to renew for 1 year	RM14,400 (RM1,200 month)	per
4.	Subramaniam A/L Kuppu ⁽¹⁾	No. 1, Jalan Dendang 43, Taman Telok, 42500 Telok Panglima Garang, Selangor / GRN 110609, Lot 630 Seksyen 1, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	303 / 111.11	30 November 2001	1 year with an option to renew for 1 year	RM17,400 (RM1,450 month)	per

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner(s)	Location / Address / Title Details	Existing Use	Land / Built-up Area (sq. m.)	Date of CF / CCC Issuance	Tenure Tenancy	of Rental annum	per
5.	Palaniandy A/L Viran and Perimala Devi A/P Periasamy ⁽²⁾	No. 57, Jalan Pandan 14, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / GRN 114913, Lot 10421 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	92 / 116.78	22 April 2005	1 year with an option to renew for 1 year	RM18,000 (RM1,500 month)	per
6.	Yap Soh Chin and Cheong Choy Wai	No. 2, Jalan Mengkuang 14, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / HSM 12943, PT 12158, Mukim Telok Panglima Garang, Daerah Kuala Langat	Foreign workers' accommodation	382 / 256.60	6 March 2017	1 year	RM57,600 (RM4,800 month)	per
7.	Tan Boon Lai	No. 6, Jalan Pandan 10, Taman Dato Hormat, 42500 Telok Panglima Garang Selangor / GRN 111228, Lot 10476 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	111 / 180.88	24 May 2006	1 year	RM20,400 (RM1,700 month)	per
8.	Tan Boon Lai	No. 7, Jalan Pandan 6, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / GRN 302807, Lot 20239 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	226 / 180.88	24 May 2006	1 year	RM20,400 (RM1,700 month)	per

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner(s)	Location / Address / Title Details	Existing Use	Land / Built-up Area (sq. m.)	Date of CF / CCC Issuance	Tenure Tenancy	of Rental annum	per
9.	Lee Eng Hong	No. 8, Jalan Pandan 10, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / GRN 111229, Lot 10477 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	111 / 180.88	24 May 2006	2 years	RM20,400 (RM1,700 month)	per
10.	Gan Wei Li	No. 41, Jalan Nipah 18, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / HSD 29931, PT 996, Pekan Telok, Daerah Kuala Langat	Foreign workers' accommodation	121 / 161.19	12 January 2015	1 year	RM18,000 (RM1,500 month)	per
11.	Ng Kim Siew	No. 17, Jalan Pandan 6, Taman Dato Hormat, 42500 Telok Panglima Garang, Selangor / GRN 252355, Lot 20145 Seksyen 2, Pekan Teluk, Daerah Kuala Langat	Foreign workers' accommodation	123 / 94.95	27 March 2012	1 year	RM15,600 (RM1,300 month)	per
12.	Halimah Binti Sani and Jamilah Binti Sani ⁽³⁾	No. 66, Jalan Utama 29, Taman Jaya Utama, 42500 Telok Panglima Garang, Selangor / HSM 12234, PT 632 Seksyen 5, Bandar Telok Panglima Garang, Daerah Kuala Langat	Foreign workers' accommodation	123 / 72.45	22 May 2019	2 years with an option to renew for 1 year	RM27,600 (RM2,300 month)	per

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner(s)	Location / Address / Title Details	Existing Use	Land / Built-up Area (sq. m.)	Date of CF / CCC Issuance	Tenure Tenancy	of Rental annum	per
13.	Tee Hoon	No. 36, Jalan Utama 6, Taman Jaya Utama, 42500 Telok Panglima Garang, Selangor / GM 3531, Lot 10053, Seksyen 5, Bandar Telok Panglima Garang, Daerah Kuala Langat	Foreign workers' accommodation	194 / 46.55	19 November 2002	2 years with an option to renew for 2 years	RM27,600 (RM2,300 per month)	per

Notes:

- (1) *The registered owner, Subramaniam A/L Kuppu has, on 1 November 2022, authorised Pramkumar Nadarajan of V Pandiyan Enterprise to represent the registered owner to rent the property to AGSB.*
- (2) *The registered owners, Palaniandy A/L Viran and Perimala Devi A/P Periasamy have, on 17 January 2023, authorised Pramkumar Nadarajan of V Pandiyan Enterprise to represent the registered owners to rent the property to AGSB.*
- (3) *The registered owners, Halimah Binti Sani and Jamilah Binti Sani have, on 24 April 2024, authorised Pramkumar Nadarajan of V Pandiyan Enterprise to represent the registered owners to rent the property to AGSB.*

As at LPD, save as disclosed above, the rented properties are not in breach of any of the relevant land laws and building regulations.

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7. BUSINESS OVERVIEW (Cont'd)

7.19 MATERIAL MACHINERY AND EQUIPMENT

A summary of the material machinery and equipment used and owned by our Group as at the LPD are as follows:

<u>Machinery and equipment</u>	<u>Function</u>	<u>No. of units</u>	<u>Average age (year)</u>	<u>Audited NBV as at 30 June 2024 (RM)</u>
<u>Tooling services and process engineering</u>				
Milling machines	To drill hole, bore and slot on die plate to remove metal scrap during stamping process and to make screw thread for die plate assembly	3	21	1
Surface grinding machines	To grind the die plate to produce flat and smooth surface	3	27	2
3D laser cutting machines	To perform 3D profile cutting for prototype sample and to cater small volume production	3	9	255,168
<u>Metal Stamping</u>				
Press machines	To stamp metal sheet into desired shape and dimension	45	12	4,628,162
<u>Sub-assembly services</u>				
Spot welding machines	To fuse together two or more automotive parts between two electrodes by application of heat and pressure	7	20	39,472
Robotic welding machines	To perform automated arc welding	3	8	57,442
				4,980,247

Our Group has a maintenance schedule by production line and the maintenance is scheduled on a semi-annual or annual basis based on the items that require maintenance. The maintenance works are usually undertaken during the weekend to ensure minimal interruption to the business and operations of our Group.

7. BUSINESS OVERVIEW (Cont'd)

7.20 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

(i) ICA 1975

Pursuant to the ICA 1975 and the Industrial Co-ordination (Exemption) Order 1976, manufacturing companies with shareholders' funds of RM2.50 million and above or engaging 75 or more full-time paid employees are required to apply for a manufacturing licence. The ICA 1975 defines "manufacturing activity" as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

The licensing officer may also in his discretion revoke a licence if the manufacturer to whom a licence is issued:

- (a) has not complied with any condition imposed in the licence;
- (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- (c) has made a false statement in his application for the licence.

The licensing officer may also withhold or suspend the revocation of the licence if he is satisfied that the act or omission on the part of the manufacturer under the above situations was due to some cause beyond his control and there is a reasonable prospect of such act or omission being remedied within such period as the licensing officer may direct.

Upon beginning its manufacturing of automotive parts and components at the TPG Factory, AGSB was not required to apply for a manufacturing licence as its shareholders' fund did not exceed RM2.50 million and did not employ more than 75 full-time paid employees. However, AGSB's shareholders' funds had in its financial year ended 30 September 2007 (amounted to approximately RM3.17 million) exceeded RM2.50 million and was required to have a manufacturing licence. Failure to comply would attract, on conviction, a fine up to RM2,000 or to a term of imprisonment up to 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

The manufacturing licence, which has since been issued on 16 December 2022, is effective from 13 September 2022. The delay in obtaining the manufacturing licence was due to misinterpretation of the requirement and absence of a dedicated personnel to ensure compliance with relevant laws and regulations governing the business of AGSB.

As at the LPD, AGSB has not received any notice or penalty for the abovementioned delay. Notwithstanding that MITI has the right to impose penalties on AGSB for its delay in getting a manufacturing license, we had a tele-conversation with an officer of MIDA on 21 November 2023 and were informed it is unlikely for AGSB to be subject to any retrospective sanctions from MITI as a result of operating without manufacturing licence.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Factories and Machinery Act 1967 (“FMA 1967”)

The FMA 1967 and the relevant regulations made thereunder, including the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 (“**FMA Regulations 1970**”) govern the control of factories with respect to matters relating to the safety, health and welfare of person, the registration and inspection of machinery and for matters connected therein.

The FMA 1967 provides that the occupier of the factory has a duty to maintain the standards of safety of appliances and machinery in his factory, and the health and welfare of his factory workers. These include provisions requiring the taking of precautions against fire, the proper maintenance of safety appliances and machinery, the keeping of a clean factory, and the mandatory reporting of accidents and dangerous occurrences to the inspector of factories and machineries.

Section 19(1) of the FMA 1967 further states that no person shall operate or cause or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FMA 1967. In the case of any contravention, an inspector of factories and machineries appointed under the FMA 1967 shall forthwith serve upon the person aforesaid a notice in writing prohibiting the operation of the machinery or may render the machinery inoperative until such time as a valid certificate of fitness is issued. The person who contravenes Section 19(1) shall be liable of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 3 years or to both.

For the purposes of FMA 1967, the term “machinery” includes steam boilers, unfired pressure vessels, fired pressure vessels, pipelines, prime movers, gas cylinders, gas holders, hoisting machines and tackle, transmission machinery, driven machinery, materials handling equipment, amusement device or any other similar machinery and any equipment for the casting, cutting, welding or electro-deposition of materials and for the spraying by means of compressed gas or air of materials or other materials but does not include:

- any machinery used for the propulsion of vehicles other than steam boilers or steam engines;
- any machinery driven by manual power other than hoisting machines;
- any machinery used solely for private and domestic purposes; or
- office machines.

The Factories and Machinery (Repeal) Act 2022 (“**FM Repeal Act**”) came into operation on 1 June 2024 and has repealed the FMA 1967. With effect from 1 June 2024, any registration made, or order, notice, direction, written authority, approval, certificate of fitness, special scheme of inspection or certificate of competency given or issued, under the FMA 1967 shall, on the coming into operation of the FM Repeal Act, be dealt with under the Occupational Safety and Health Act 1994 and its subsidiary legislations, which will be the law of reference for all matters related to safety and welfare of persons at work.

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7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, our Group holds valid certificates of fitness issued by Department of Occupational Safety and Health Malaysia for the relevant machineries we use. In accordance with Regulation 14 of FMA Regulations 1970, after an initial inspection, factory and machinery for which a certificate of fitness is required shall be inspected by an Inspector of Factories and Machinery at regular intervals which ordinarily shall be 15 months subject to any extension. During the Financial Periods Under Review and up to the LPD, there is no material non-compliance by our Group in relation to the FMA 1967.

(iii) Occupational Safety and Health Act 1994 (“OSHA 1994”)

The OSHA 1994 provides the framework to secure the safety, health and welfare among workforce and to protect others against risks to safety or health in connection with the activities of persons at work. On 1 June 2024, the Occupational Safety and Health (Amendment) Act 2022 came into operation and amended the OSHA 1994.

Pursuant to OSHA 1994, it shall be the duty of every employer to formulate a written safety and health policy with respect to the safety and health at work of his employees. Failure to comply with the general duties of employers under Part IV of OSHA 1994 constitutes an offence and the employer is liable, on conviction, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both.

Further, under OSHA 1994, the employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work. Failure to comply with the requirement to establish a safety and health committee would attract, on conviction, a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both. An occupier of a place of work is also required to employ a competent person to act as a safety and health officer at the place of work. Failure to comply with the requirements to employ a competent person to act as a safety and health officer would attract, on conviction, a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

With effect from 1 June 2024, OSHA 1994 also provides amongst others:

- (a) a right to an employee to remove himself from the danger or the work if he has reasonable justification to believe there exist an imminent danger at his place of work, and the employer has failed to take any action to remove the danger;
- (b) the obligation of an employer to conduct a risk assessment in respect of the safety and health risk posed to any person who may be affected by his undertaking at the place of work and the implementation of risk control to eliminate or reduce said safety and health risk; and
- (c) provisions relating to notification of occupation of place of work, installation and periodical inspection of plant, and the prescription of any plant for which a certificate of fitness is required.

During the Financial Periods Under Review and up to the LPD, there is no material non-compliance by our Group in relation to the OSHA 1994. Our Group has formulated a documented standard operating policies and procedure on occupational safety, health and environmental plan. We have established safety and health committee and a certified safety and health officer has been appointed to monitor the safety and health related matters of our Group.

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7. BUSINESS OVERVIEW (Cont'd)

(iv) Environmental Quality Act 1974 (“EQA 1974”)

The EQA 1974 sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment. It is an offence under the EQA 1974 for any person, unless licenced to do so, to among others:

- (a) emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere;
- (b) emit or cause or permit to be emitted any noise greater in volume, intensity or quality;
- (c) pollute or cause or permit to be polluted any soil or surface of any land; or
- (d) emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters,

in contravention of the acceptable conditions specified.

The EQA 1974 also empowers the Minister charged with the responsibility for environment protection to make regulations specifying acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into the environment. Following the coming into operation of the Environmental Quality (Amendment) Act 2024 on 7 July 2024, failure to comply with the prescribed conditions may attract, on conviction, a fine of at least RM10,000 and up to RM10,000,000 or to imprisonment for a period up to 5 years or to both and, if applicable, to a further fine up to RM1,000 a day for every day that the offence is continued after a notice to cease the restrictions (if any) is served upon.

Among other regulations, the Environmental Quality (Scheduled Wastes) Regulations 2005 (“**Scheduled Wastes Regulations**”) specify the following requirements:

- (a) any person who generates scheduled wastes (“**Waste Generator**”) shall, within 30 days from the date of generation of scheduled wastes, notify the Director General of Environmental Quality (“**DGEQ**”) of the new categories and quantities of scheduled wastes which are generated;
- (b) scheduled wastes shall be disposed of at prescribed premises only and shall, as far as practicable, before disposal, be rendered innocuous;
- (c) scheduled wastes be treated at prescribed premises or at on-site treatment facilities only and the residuals from treatment of scheduled wastes shall be treated and disposed of at prescribed premises;
- (d) a Waste Generator may apply to the DGEQ in writing to have the scheduled wastes generated from their particular facility or process excluded from being treated, disposed of or recovered in premises or facilities other than at the prescribed premises, on-site treatment or recovery facilities. If the DGEQ is satisfied with the application made, the DGEQ may grant a written approval either with or without conditions; and
- (e) a Waste Generator shall keep an accurate and up-to-date inventory of the categories and quantities of scheduled wastes generated, treated and disposed of and of materials or product recovered from such scheduled wastes for a period up to 3 years from the date of the scheduled wastes was generated in accordance with the fifth schedule of the Scheduled Wastes Regulations.

7. BUSINESS OVERVIEW (Cont'd)

Failure to comply with the provisions of the EQA 1974 or any regulations made thereunder shall be an offence against the EQA 1974 and where no penalty is expressly provided, the offender shall be liable to a fine of at least RM5,000 and not exceeding RM250,000 or to imprisonment for a period not exceeding 2 years or to both.

As at the LPD, our Group has appointed 2 licensed service providers to handle the scheduled wastes generated in our operation. Further, our Group has not received any notices, penalties or reprimands from the Department of Environment for non-compliance of the environmental laws and regulations.

(v) **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAAA 1990")**

The EMSHAAA 1990 prescribes the minimum standards of housing, nurseries and accommodations for employees (and their dependants, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

The EMSHAAA 1990 imposes the duty and responsibility on employers or centralised accommodation providers to, among other things, ensure that:

- (a) every accommodation provided for employees complies with the minimum standards required under the EMSHAAA 1990 and any regulations made thereunder;
- (b) any accommodation that is unfit for human habitation in accordance with the relevant written laws are not to be used to accommodate employees; and
- (c) no accommodation will be provided to an employee unless certified with a Certificate of Accommodation ("**CoA**").

An employer who fails to obtain the CoA commits an offence and will on conviction, be liable to a fine not exceeding RM50,000. An employer who contravenes any other provision of the EMSHAAA 1990 or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, will be guilty of an offence under such provision and if no penalty is expressly provided for, the offence will on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

As at LPD, our Group provides accommodations for our workers. We have obtained the CoA for the 13 rented properties occupied by our workers.

As at the LPD, our Group is in compliance with the governing laws, regulations, rules or requirements relating to its business.

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7. BUSINESS OVERVIEW (Cont'd)**7.21 EMPLOYEES**

As at the LPD, we have a total workforce of 195 employees. The following table sets out the breakdown of our employees in our Group based on job function as at FPE 2024 and as at the LPD:

Category	No. of employees					
	FPE 2024			As at the LPD		
	Local	Foreign	Total	Local	Foreign	Total
Management and professionals	12	1	13	12	1	13
Clerical and administrative	19	0	19	20	0	20
Technical personnel	10	2	12	10	2	12
Production workers	15	136	151	15	135	150
Total	56	139	195	57	138	195

The breakdown of our contractual employees are as follows:

Category	No. of employees	
	FPE 2024	As at the LPD
	Management and professionals	1
Clerical and administrative	0	0
Technical personnel	1	1
Production workers	136	135
Total	138	137

As at the LPD, our Group has 150 production workers (representing 76.92% of our total workforce of 195 employees) working on our factory floor, out of which 135 are contractual foreign workers and 15 permanent local workers.

AGSB's manufacturing licence contains an express condition that the total full-time workforce of AGBS shall comprise at least 80% Malaysians by 31 December 2024. As at the LPD, our Group has a total of 57 Malaysian employees, representing approximately 29.23% of our total full-time workforce.

The initiatives taken by AGBS to comply with the said condition are as follows:

- (i) We have been publishing online recruitment advertisements on MYFutureJobs portal. As at the LPD, AGBS is actively recruiting through the above medium;
- (ii) AGBS has also signed memorandum of understanding with a skills training institution on 29 November 2023 to provide internship placement for its students, with opportunity for full-time employment with AGBS;
- (iii) AGBS had also engaged with a local institute to recruit skilled and semi-skilled workers under their professional certificate programme; and
- (iv) Part of the listing proceeds will be utilised to purchase automation equipment which will reduce the workforce required in the production line.

7. BUSINESS OVERVIEW (Cont'd)

We have on 21 February 2024 applied to MITI for extension of time to comply with this requirement by 30 June 2026. As at the LPD, we have not received any feedback from MITI.

Please refer to Section 9.1.11 of this Prospectus for further details on the risk of non-compliance.

As at the LPD, our Group has a total of 138 foreign workers in Malaysia.

As the application and renewal of the work permits are an ongoing process, there will be foreign workers that are in the midst of applying for or renewing their work permits at any one point in time.

As at the LPD, our Group complies with the requirements under Minimum Wages Order 2022. None of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes.

Further, our Group provides accommodations to our foreign workers. Please refer to Section 7.20 (v) of this Prospectus for further details.

7.22 EXCHANGE CONTROLS

As of the date of this Prospectus, we do not have any foreign subsidiary or associated company which requires repatriation of capital and remittance of profits by or to our Group.

7.23 ESG PRACTICES

Our Group recognised the significance of an ESG framework and its vital role in shaping our Group's future growth and development. Our Group has implemented the following ESG practices:

(i) Environmental

Our Group adopts sustainable practices to reduce or minimise the impact of our operations on the environment.

Waste management

We undertake waste management practices (pursuant to guidelines set under the EQA 1974 by the Department of Environment) in managing our waste across our business operations, such as:

- (a) engaging licensed service providers to handle the scheduled wastes generated in our operation;
- (b) engaging licensed scrap metal collector to collect and recycle scrap metal waste generated from our manufacturing activities; and
- (c) adopting PaperSOF (an ISO document management software used to establish, approve and distribute documents electronically within our Group) and limiting paper printing by our staff.

Energy management

Our Group optimises energy usage across our business operations by adopting initiatives such as:

- (i) reducing energy consumption in our manufacturing process through upgrading the motors of the machinery with servo motors that are more energy efficient compared to induction motors, especially in applications where the load varies. This is because these newer motors only consume electricity as needed to maintain the desired position or speed;

7. BUSINESS OVERVIEW (Cont'd)

- (ii) switching off the machinery, equipment and factory lights when they are not in use, especially during breaks; and
- (iii) installing LED lighting throughout the TPG factory to promote energy conservation.

(ii) Social

The safety and health of our employees are our priorities, specifically mitigating any safety and health risks at our workplace in order to create a safe environment for our employees to enhance their productivity and performance.

Occupational, safety and health

We are committed to safeguarding the well-being and health of our employees by maintaining a safe and healthy workplace. In accordance with OSHA 1994, we have established safety and health committee and a certified safety and health officer has been appointed to monitor the safety and health matters of our Group.

In addition, our Group will also provide personal protection equipment, including safety shoes, helmets, earplugs, protective goggles, arm covers, gloves, aprons and masks, to our employees. This measure is aimed to ensure personal safety and minimise the potential injuries during our operations.

Labour practices

We respect and protect the labour rights of our employees, including fair wages, safe working conditions, reasonable working hours and freedom of association. We promote fair labour practices also involve providing opportunities for skill development.

Diversity and equal opportunity

We practice gender equality and cultural diversity with equal opportunities irrespective of one's age, gender and ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics for employment, career development and advancement.

Feedback and improvement

We seek customer feedback and utilise it to improve our products and services through an annual customer and satisfaction survey form. The customer feedback is subsequently discussed and addressed (if required) among key senior management while the satisfaction survey will be compiled and discussed in the annual management review meetings.

Employee engagement

We empower our employees by supporting their personal and professional growth. We seek to enhance our employees' capabilities through training programs and continuing education such as production techniques, leadership skills and self-development training. For the Financial Periods Under Review and up to the LPD, we have invested RM110,965 in personal and professional development training on our employees.

We also emphasis on bonding session with our employees through organising festival celebration and activities. These events provide a platform for cultural exchange, enabling our employees to appreciate and celebrate the rich cultural heritage and traditions within our Group. By encouraging cross-cultural understanding, we foster a sense of unity, respect, and appreciation among our employees.

7. BUSINESS OVERVIEW (Cont'd)

(iii) Governance

Our Group recognized that good governance is not just a corporate requirement; it is the foundation upon which we build a sustainable future. In essence, our approaches on governance sustainability are to conduct business ethically and ensure compliance with all relevant laws and regulations as disclosed in Section 7.20 of this Prospectus.

Our Group has adopted the recommendations under the MCCG. Save for certain practices of the MCCG, the compliance of which could only be achieved or becomes applicable upon the listing of the Company (such as the recommended disclosures to be made in the Company's Annual Report and Corporate Governance Report), the MCCG practices our Group has adopted are as follows:

- (a) at least half of our Board are independent directors;
- (b) at least 30% of our Board are women directors;
- (c) our Audit and Risk Management Committee comprises solely of independent directors; and
- (d) our Independent Non-Executive Chairperson is not a member of any of our board committees.

In addition, we have established several policies and procedures to ensure the sufficiency and integrity of our Group's risk management and internal control system. The policies and procedures we have put in place, amongst others, are as follows:

- (a) Anti-Bribery and Anti-Corruption Policy to promote ethical business conduct;
- (b) Whistleblowing Policy to encourage reporting of wrongdoings and helps to maintain trust and integrity within our Group and our stakeholders; and
- (c) Conflict-of-Interest Policy to manage and minimise the conflict arising from personal and financial interest of individuals with their professional responsibilities. This policy also serves to ensure that the engagement between our Group and the Audit and Risk Management Committee is free from conflict of interest, which could impair the objectivity and independence of being the members of the Audit and Risk Management Committee.

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