

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF 3REN BERHAD (“3REN” OR THE “COMPANY”) DATED 9 OCTOBER 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 IB or Tricor. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysian. Bursa Securities, KAF IB and 3REN have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of our IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

Close of Application

Applications for the IPO Shares will be accepted from **10.00 a.m. on 9 October 2024** and will close at **5.00 p.m. on 23 October 2024**. Any change to the timetable will be advertised by 3REN in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia, and will make the relevant announcement through Bursa Securities. 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 as provided by the Company to Bursa Securities 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.



3REN BERHAD

(Registration No. 202101012445 (1412744-K))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF 3REN BERHAD ("3REN" OR THE "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:-

(I) PUBLIC ISSUE OF 110,000,000 NEW ORDINARY SHARES IN 3REN ("SHARES") IN THE FOLLOWING MANNER:-

- 32,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 30,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
- 3,800,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
- 43,700,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

(II) OFFER FOR SALE OF 45,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY,

AT AN ISSUE/OFFER PRICE OF RM0.28 PER SHARE PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent



INVESTMENT BANK BERHAD

Registration No. 197401003530 (20657-W)

PROSPECTUS

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 171.

Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the admission of our Company to the Official List 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 9 OCTOBER 2024



3REN BERHAD

(Registration No. 202101012445 (1412744-K))
(Incorporated in Malaysia under the Companies Act 2016)

No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas
14000 Bukit Mertajam, Penang

Tel : (604) 508 9737 Email : ir@3ren.com.my

www.3ren.com.my

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

The Directors, Promoters and Offerors of 3REN have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

KAF IB, being the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the offering.

STATEMENTS OF DISCLAIMER

Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of the IPO, the Company or the Shares.

This Prospectus, together with the Application Form, has also been lodged with the ROC, 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 this Prospectus or the conduct of any other person in relation to the 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 SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. 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 on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offerors, Principal Adviser and Sole Underwriter 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 authorised by our Company, Directors, Promoters, Offerors, Principal Adviser and Sole Underwriter, any of their respective directors, or any other persons involved in our IPO.

This Prospectus has been prepared in the context of our IPO under to the laws of Malaysia. This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body 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 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 acceptance 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, Offerors, Principal Adviser and Sole Underwriter 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 and the copy of this Prospectus registered by Bursa Securities are the same.

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

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. If there are 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 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:-

- (a) 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;
- (b) 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
- (c) 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 or Participating Securities Firms, you are advised that:-

- (a) the Internet Participating Financial Institutions or Participating Securities Firms 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 or Participating Securities Firms which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms 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 or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties;
- (b) 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

- (c) the Internet Participating Financial Institutions or Participating Securities Firms 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 or Participating Securities Firms, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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TENTATIVE TIMETABLE

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued share capital on the ACE Market is set out below:-

Events	Indicative Dates
Issue of Prospectus / Opening date for the Application	9 October 2024
Closing date of the Application	23 October 2024
Balloting of Applications	25 October 2024
Allotment / Transfer of IPO Shares to successful applicants	4 November 2024
Date of Listing	6 November 2024

If there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspaper in Malaysia and announce on the website of Bursa Securities accordingly.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

COMPANIES WITHIN OUR GROUP

3REN or Company	:	3REN Berhad (Registration No. 202101012445 (1412744-K))
3REN Group or Group	:	Collectively, 3REN and its wholly-owned subsidiary companies, namely, Sophic Automation, Sophic MSC and Pinkypye
Pinkypye	:	Pinkypye Sdn Bhd (Registration No. 202101029664 (1429964-K))
Sophic Automation	:	Sophic Automation Sdn Bhd (Registration No. 200701036965 (794994-D))
Sophic MSC	:	Sophic MSC Sdn Bhd (Registration No. 201101041653 (969776-D))

PRINCIPAL PLACES OF BUSINESS OF OUR GROUP

First Delivery Centre	:	4 adjoining units located at GBS @ Mayang, Bandar Bayan Baru, Bayan Lepas, Penang with a total built-up area of 1,960 sq ft to be used as our Delivery Centre
Bukit Minyak Plant	:	Two double-storey semi-detached terrace factories located at Bukit Minyak Industrial Park, Simpang Ampat, Penang with total built-up area of approximately 6,174 sq ft, used as office, production facility, engineering office and warehouse
Setia Spice Office	:	A rented office unit located at Setia Spice Canopy, Penang with a built-up area of approximately 4,808 sq ft, used as office for our product engineering services
Stellar Suites Office	:	2 office units located at Stellar Suites, Puchong, Selangor with a total built-up area of approximately 1,754 sq ft, used by Sophic MSC as its offices
Tangkas 3 Plant	:	A 3-storey link terraced factory located at No. 3, Jalan Industri Tangkas 2, Taman Industri Tangkas, 14000 Bukit Mertajam, Penang with a built-up area of approximately 11,981 sq ft, which is used as office cum precision engineering and assembly facility, and engineering office
Tangkas 9 Plant	:	A 3-storey link terraced factory located at No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas, 14000 Bukit Mertajam, Penang with a built-up area of approximately 11,981 sq ft, which is currently used as our corporate headquarters and production facility as well as for our future innovation lab

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DEFINITIONS *(cont'd)*

GENERAL

3REN Share(s) or Share(s)	:	Ordinary share(s) in 3REN
ACE Market	:	ACE Market of Bursa Securities
Acquisition of Pinkypye	:	Acquisition by 3REN of 100% equity interest in Pinkypye from Sophic Automation for a purchase consideration of RM1.0 million which was satisfied via the issuance of 10,000,000 new Shares at an issue price of RM0.10 each
Acquisition of Sophic Automation	:	Acquisition by 3REN of 100% equity interest in Sophic Automation from the vendors for a purchase consideration of approximately RM49.0 million which was satisfied via the issuance of 489,999,998 new Shares at an issue price of RM0.10 each
Acquisition of Sophic MSC	:	Acquisition by 3REN of 100% equity interest in Sophic MSC from Sophic Automation and Liew Chee Kin for a purchase consideration of RM4.0 million which was satisfied via the issuance of 40,000,000 new Shares at an issue price of RM0.10 each
Acquisitions	:	Collectively, the Acquisition of Sophic Automation, Acquisition of Sophic MSC and Acquisition of Pinkypye
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AGM	:	Annual General Meeting
Application	:	Application for the IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	:	Printed application form for the application of the IPO Shares accompanying this Prospectus
ATM(s)	:	Automated teller machine(s)
Authorised Financial Institution	:	The authorised financial institution participating in the Internet Share Application with respect to payments for the IPO Shares
Board	:	Board of Directors of 3REN
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))
By-Laws	:	The rules, terms and conditions governing the LTIP as set out in Annexure A of this Prospectus
CAGR	:	Compound annual growth rate
CCC	:	Certificate of completion and compliance
CCM	:	Companies Commission of Malaysia

DEFINITIONS *(cont'd)*

CDO	:	Chief Digital Officer
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act, 1991
CEO	:	Chief Executive Officer
CF	:	Certificate of fitness for occupation
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	Constitution of our Company
COVID-19	:	Novel coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
DBKL	:	Dewan Bandaraya Kuala Lumpur
Deposited Security	:	A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	:	A holder of a Securities Account
Director	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
EBITDA	:	Earnings before interests, taxation, depreciation and amortisation
ECU	:	Equity Compliance Unit of the SC
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 a Participating Financial Institution's ATM
Eligible Parties	:	Eligible Directors and employees of the Group, and persons who have contributed to the success of the Group
Eligible Person	:	Eligible Directors and employees of the Group (excluding subsidiaries which are dormant) who fulfils the conditions of eligibility as stipulated in the By-Laws
EPS	:	Earnings per Share
Financial Periods Under Review	:	Collectively, the FYE 2020, FYE 2021, FYE 2022, FYE 2023 and FPE 2024
First Tranche of SOP Award	:	Up to 16,250,000 SOP Options, representing up to 2.50% of our enlarged issued share capital upon Listing, to be granted under the SOP award in conjunction with our Listing
FPE	:	6-month financial period ended 30 June

DEFINITIONS *(cont'd)*

FYE	:	Financial year(s) ended/ending, as the case may be, 31 December
GP	:	Gross profit
Grant Thornton or Reporting Accountants	:	Grant Thornton Malaysia PLT (Registration No. 201906003682 (LLP0022494-LCA) & AF 0737)
IMR or Providence	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
IMR Report	:	Independent Market Research Report on the Integrated Circuit Design, Assembly and Test Segments of the Semiconductor Industry, Automated Manufacturing and Digitalised Solutions Industry, and Semiconductor and Electronics Industries as set out in Section 8 of this Prospectus
Internet Participating Financial Institution(s) or Participating Securities Firm(s)	:	Participating financial institution(s) or Participating Securities Firm(s) for the Internet Share Application as listed in Section 15.6 of this Prospectus
Internet Share Application	:	The application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions or Participating Securities Firms
IPO	:	Collectively, the Public Issue and Offer for Sale
IPO Price	:	RM0.28 per IPO Share, being the issue/offer price payable by the investors under the IPO
IPO Share(s)	:	Collectively, the Public Issue Shares and Offer Shares
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
IT	:	Information Technology
KAF IB or Principal Adviser or Sponsor or Sole Underwriter or Sole Placement Agent	:	KAF Investment Bank Berhad (Registration No. 197401003530 (20657-W))
Khazanah	:	Khazanah Nasional Berhad (Registration No. 199301020767 (275505-K))
Listing	:	Admission to the Official List and the listing of and quotation for the entire enlarged share capital of 3REN 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
Listing Scheme	:	Collectively, the RCPS Conversion, Acquisitions, IPO, Share Transfer and Listing
LPD	:	9 September 2024, being the latest practicable date prior to the registration of this Prospectus

DEFINITIONS *(cont'd)*

LTIP	:	Long term incentive plan for the award of SGP and/or SOP to any Eligible Person in accordance with the provisions of the By-Laws
Malaysian Public or 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 Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
MBPP	:	Majlis Bandaraya Pulau Pinang
MBSJ	:	Majlis Bandaraya Subang Jaya
MBSP	:	Majlis Bandaraya Seberang Perai
MCO	:	Movement control order (including all versions and phases) issued by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
MDEC	:	Malaysia Digital Economy Corporation Sdn Bhd (Registration No. 199601016995 (389346-D))
MFRS	:	Malaysian Financial Reporting Standards
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment, Trade and Industry Malaysia
MSC Malaysia	:	MSC Malaysia status issued by MDEC (<i>now known as Malaysia Digital Status or MD Status</i>)
MTDC	:	Malaysian Technology Development Corporation Sdn Bhd (Registration No. 199201004292 (235796-U))
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale by the Offerors of the Offer Shares at the IPO Price
Offer Shares	:	45,000,000 existing Shares to be offered by the Offerors pursuant to the Offer for Sale
Offeror(s)	:	Collectively, Koh Dim Kuan, Lee Chee Hoo, Low Chee Onn and MTDC
Official List	:	The list specifying all securities listed on the ACE Market
Option Price	:	The price at which the SOP participant shall be entitled to subscribe for the Shares upon the exercise of the SOP option
Participating Financial Institution(s)	:	The participating financial institution(s) for the Electronic Share Application as listed in Section 15.5 of this Prospectus
Participating Securities Firm(s)	:	The participating securities firm(s) for the Internet Share Application as listed in Section 15.6 of the Prospectus

DEFINITIONS *(cont'd)*

PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
PIKOM	:	Persatuan Industri Komputer dan Multimedia Malaysia
Pink Form Allocation	:	Allocation of the Pink Form Shares to the Eligible Parties, which forms part of the Public Issue
Pink Form Share(s)	:	30,000,000 IPO Shares to be issued pursuant to the Pink Form Allocation
PPE	:	Property, plant and equipment
Prescribed Security	:	Shares of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules
Promoter(s)	:	Collectively, Koh Dim Kuan and Lee Chee Hoo
Prospectus	:	This Prospectus dated 9 October 2024 in relation to our IPO
PSDC	:	Penang Skills Development Centre
Public Issue	:	Issuance of the Public Issue Shares, payable in full upon application, subject to the terms and conditions of the Prospectus
Public Issue Shares	:	110,000,000 new Shares at the IPO Price
QC	:	Quality control
R&D	:	Research and development
R3 Capital	:	R3 Capital Sdn Bhd (Registration No. 202101020513 (1420813-K))
RCPS	:	Redeemable convertible preference shares in Sophic Automation held by MTDC
RCPS Conversion	:	Conversion by MTDC of its entire 8,800,000 RCPS into 71,700 new ordinary shares in Sophic Automation (prior to the Acquisition of Sophic Automation)
Record of Depositors	:	A record provided by Bursa Depository to our Company under Chapter 24.0 of the Rules
ROC	:	Registrar of Companies
Rules	:	The Rules of Bursa Depository
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Securities Account	:	An account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor

DEFINITIONS *(cont'd)*

Share Transfer	:	Transfer of an aggregate of 260,000,000 Shares held by Koh Dim Kuan and Lee Chee Hoo to R3 Capital during the prescription period
SICDA or Depository Act	:	Securities Industry (Central Depositories) Act, 1991
Specified Shareholders	:	Collectively, Koh Dim Kuan, Lee Chee Hoo and R3 Capital
Sq ft or sq ft	:	Square feet/foot
SVN Automation	:	SVN Automation Company Limited (Enterprise Registration Certificate No. 0312645596), a former subsidiary of Sophic Automation incorporated and based in Vietnam
Underwriting Agreement	:	The underwriting agreement dated 2 September 2024 entered into between our Company and our Sole Underwriter pursuant to the IPO
USA or US	:	United States of America

MAJOR CUSTOMERS AND SUPPLIERS

Intel group of companies	:	Comprises certain subsidiaries of Intel Corporation which are based in Malaysia, Vietnam, Costa Rica, China, USA, India and Taiwan as further disclosed in Section 7.17 of this Prospectus
KellyOCG	:	KellyOCG Malaysia Sdn Bhd (Registration No. 201621000375 (1171300-X))
Top Glove group of companies	:	Comprises certain subsidiaries of Top Glove Corporation Berhad which are based in Malaysia, Thailand and Vietnam
Customer A	:	Customer A is a company incorporated and based in Malaysia and is a supplier and manufacturer of solid-state storage systems and other electronic storage systems associated with the semiconductor manufacturing industry. Customer A is a subsidiary of a holding company which was incorporated and based in the USA and listed on the Nasdaq Global Select Market with a market capitalisation of USD21.50 billion as at the LPD. The holding company of Customer A is a developer, manufacturer and provider of data storage devices based on flash and hard disk drive technologies, based in the USA. The group has business operations in the Americas, Asia Pacific, Europe and the Middle East regions.

We are unable to disclose the identity of Customer A due to the non-disclosure agreement executed with our Group which prohibits the disclosure of business information without prior written consent. We have sought consent from the Customer A for disclosure but such consent had not been granted.

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DEFINITIONS *(cont'd)*

Customer B : Customer B is a local city council of a state in Malaysia, which is mainly responsible for administering, amongst others, the urban planning, heritage preservation, public health, sanitation, waste management, traffic management, environmental protection, building control, social and economic development and general maintenance of the urban infrastructure of the city.

We have sought consent from the Customer B for disclosure but such consent had not been granted.

Customer C : Customer C is a company incorporated and based in Malaysia and is a provider of electronic design and test solutions. Customer C is a subsidiary of a holding company which was incorporated and based in the USA and is listed on the New York Stock Exchange with a market capitalisation of USD25.31 billion as at the LPD. The holding company of Customer C is also a provider of electronic design and test solutions. The enlarged group has business operations in the Americas, Asia Pacific and Europe regions.

We have sought consent from the Customer C for disclosure but such consent had not been granted.

Customer D : Customer D is involved in the manufacturing of plastics, moulding dies and tools, as well as the assembly for the electrical, electronic, audio, telecommunication, automotive industries and medical product based in Malaysia. Customer D is a subsidiary of an unlisted holding company based in Singapore, which is involved in the manufacturing of precision plastics injection molding and metal stamping components as well as precision mould and die fabrication.

We have sought consent from the Customer D for disclosure but such consent had not been granted.

Customer E : Customer E is a company incorporated and based in Singapore and is involved in the designing and manufacturing of sensor solutions. Customer E is a subsidiary of a holding company which was incorporated and based in Austria and is listed on the SIX Swiss Exchange with a market capitalisation of Swiss Franc 0.90 billion as at the LPD. The holding company of Customer C is also involved in the designing and manufacturing of sensor solutions. The enlarged group has business operations in the Americas, Asia Pacific and Europe regions.

We are unable to disclose the identity of Customer E due to the non-disclosure agreement executed with our Group which prohibits the disclosure of business information without prior written consent. We have sought consent from the Customer E for disclosure but such consent had not been granted.

Customer F group of companies : Company F group of companies is involved in the design, manufacturing as well as marketing and sale of household appliances. Company F group of companies comprises companies which are based in Malaysia, Singapore and the Philippines. We have sought consent from the Customer F for disclosure but such consent had not been granted.

DEFINITIONS *(cont'd)*

- Supplier A** : Supplier A is involved in providing turnkey engineering solutions, training, consultation services and employment agency. Supplier A does not have any holding company. We are unable to disclose the identity of Supplier A due to the non-disclosure agreement executed with our Group which prohibits the disclosure of business information without prior written consent. We have sought consent from the Supplier A for disclosure but such consent had not been granted.
- Supplier B** : Supplier B is involved in the manufacturing of jigs and fixtures, general trading and machining. Supplier B is a subsidiary of an unlisted holding company involved in investment holding and the provision of management services. We have sought consent from the Supplier B for disclosure but such consent had not been granted.
- Supplier C** : Supplier C is involved in sales of computers and electronic equipment. Supplier C does not have any holding company. We are unable to disclose the identity of Supplier C due to the non-disclosure agreement executed with our Group which prohibits the disclosure of business information without prior written consent. We have sought consent from Supplier C for disclosure but such consent had not been granted.
- Supplier D** : Supplier D is involved in the supply of electrical and electronic components, mechanical parts and consultation services. Supplier D does not have any holding company. We are unable to disclose the identity of Supplier D due to the non-disclosure agreement executed with our Group which prohibits the disclosure of business information without prior written consent. We have sought consent from Supplier D for disclosure but such consent had not been granted.

CURRENCIES

- RM and sen** : Ringgit Malaysia and sen, respectively
- USD** : US Dollar
- VND** : Vietnamese Dong

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GLOSSARY OF TECHNICAL TERMS

The technical abbreviations and their meanings used throughout this Prospectus is in relation to our Group and business and may not correspond to the standard industry meanings usage of these terms. Unless otherwise indicated, the following definitions shall apply throughout this Prospectus:-

Analytics dashboard and visualisation platform	:	A platform which will display historical and real-time data unto a single dashboard for ease of view and understanding in the form of graphs and charts
Artificial intelligence or AI	:	A simulation of human intelligence in machines that are programmed to think like humans and mimic their actions, such as learning and problem-solving
Asset management system	:	A system that improves asset management by receiving and analysing maintenance data for key assets such as machinery and equipment, on a real-time basis
Augmented Reality or AR	:	Real world objects are enhanced by computer-generated perceptual information across a single or multiple sensory modalities, such as visual, auditory or haptic
Automated equipment	:	Refers to machinery, equipment and devices which are typically used to perform mundane, repetitive and tedious tasks
Ball Grid Array or BGA	:	A surface mount package that uses a grid of tiny solder spheres as its connectors
Big Data Analytics	:	An analysis of large amounts of information in terms of patterns and correlations to provide actionable insights
Circuit marginality validation	:	The process of testing and verifying the performance of ICs under conditions that are close to their specified limits. It's usually performed before concluding that the IC is ready to be shipped
Command and control centre	:	A system that enables monitoring and control of functions at the operations control centre and/or backup control centre.
Computerised maintenance management system or CMMS	:	A system which receives and analyses maintenance data for key assets such as machinery and equipment, on a real-time basis. It centralises all maintenance information and data and facilitates the processes of maintenance activities
Connected Production Suite	:	A collection of our in-house designed and developed proprietary platforms for digitalised solutions, comprising:- <ul style="list-style-type: none"> (a) ToFl; (b) mobile application platform for smart devices; and (c) analytics dashboard and visualisation platform
Delivery Centre	:	A dedicated premise set up for a customer to house product engineering design activities undertake by our engineers
die	:	A semiconducting material or silicon containing an IC
Digitalised solution(s)	:	A solution which enables an organisation to automate a particular operational process or multiple operational processes

GLOSSARY OF TECHNICAL TERMS (*cont'd*)

Display	:	In the context of HSIO, it refers to the high-speed interfaces and communication channels used to transmit display-related data between electronic devices and display
Edge device	:	A device or equipment that located near the data source and are able to perform specific tasks, such as data processing, routing, storage, filtering and communication. It can also transmit data between the local network and cloud-base server
Electrical validation	:	The process of validating the electrical performance and electrical characteristics of an IC to ensure that it meets its design specification
Electronic mail or email	:	A method of transmitting and receiving messages via electronic devices
Engineering support services	:	Engineering services provided to semiconductor companies or IDMs in the process of IC or chip assembly and testing
Fabless or fablite company(ies)	:	Companies which are involved in the design, marketing and sale of ICs, but fully or partially outsource the fabrication and assembly of ICs
Factory Acceptance Test	:	This test verifies that the configuration of the solution is in accordance with the customers' specifications
Functional validation	:	A process of validating the functionality of an IC
Fuse	:	In the context of HSIO, it refers to a type of configuration setting or parameter that is programmed in a device to enable or disable certain settings or functionalities (e.g., signal termination, voltage levels) of a HSIO interface. The fuse is programmed to make those settings of functionalities permanent or non-volatile
General Purpose Input/Output or GPIO	:	A set of pins or interfaces on a device or IC that is used to connect with various external devices, components or sensors and can be controlled by software or hardware to perform specific tasks
High value manufacturing materials	:	These raw materials cost more, and include, but not limited to, gold wires, epoxy, rubber tips, solder balls, solder pastes, reels, test sockets, bonding capillaries and probe pins
High-Definition Multimedia Interface or HDMI	:	Digital image, audio and video interface which allows the transmission of high-quality digital image, audio and video signals between various devices
High-speed Input/Output or HSIO	:	The interfaces or communication channels that operate at high data rates and are able to transfer large amounts of data in a short amount of time
High-volume manufacturing environment	:	This refers to the phase of production where a product is manufactured at a large scale to meet high demand in the market

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GLOSSARY OF TECHNICAL TERMS (*cont'd*)

Industrial Revolution 4.0 and 5.0 or Industry 4.0 and 5.0	: Refers to the fourth and fifth industrial revolution where traditional manufacturing and industrial processes are being transformed by advanced technologies, and where machinery, equipment and tools are interconnected with one another enabling production line systems to be managed and monitored remotely. It involves technologies like the Internet of Things, artificial intelligence, robotics, augmented reality, system integration and big data. The fifth industrial revolution aims to harness the cognitive ability of human resources to maximise use of machineries, in order to create a sustainable manufacturing environment
Integrated circuit(s) or ICs	: An integration of several resistors, capacitors, diodes and transistors onto the substrate or semiconductor wafer. It is also called a chip, microchip or die
Integrated device manufacturer(s) or IDMs	: Companies which are involved in the design, fabrication, assembly, packaging, marketing and sale of ICs or chips
Internet of things or IoT	: Internet-of-Things is a technology used that enables machinery and equipment used in a factory or organisation to be interconnected. Machinery and equipment that are interconnected are able to send and receive data on a real-time basis
Logic analysers	: Instruments used to collect, display and measure multiple electronic signals simultaneously from a digital system, which allows better understanding of the timing and logic relationships between different signals and components in the system
Machine learning	: The use of data and algorithms that allow software applications to be more accurate at predicting outcomes, without being explicitly programmed to do so
Mobile application platform for smart devices	: A solution which digitalises standard operating procedures and automates workflows. It will automatically coordinate workflows by deploying tasks to the assigned smart devices which are held by workers
New product introduction or NPI	: The process of taking a product from its conceptual stages to its final form
Operational efficiency solution	: A solution to measure productivity and to enable improvement in targeted areas (e.g., performance) of the manufacturing process
Optical Character Recognition or OCR	: A technology that allows the extraction of text and data from images or scanned documents and then converts it to data that can be read and processed by computers and software systems
Outsourced semiconductor assembly and test service providers or OSATs	: Companies that provide third-party IC assembly, testing and packaging services
Peripheral Component Interconnect Express or PCIe	: This is a type of connection used for high-speed data transfer between electronic components
Post-silicon validation	: The process of validating the design of product prototypes during its product lifecycle
Predictive analytics	: The process of assessing historical data to forecast future trends

GLOSSARY OF TECHNICAL TERMS (*cont'd*)

Predictive maintenance	: An approach that monitors the condition and performance of assets on a real-time basis to predict when maintenance service should be performed
Principals	: Manufacturers of hardware components or developers of software applications, from which hardware components and software applications are sourced for use in the design, development and sale of digitalised solutions and automated equipment
Printed circuit board or PCB	: A thin board made from fiberglass or other laminate materials that is found in electrical or electronic products. It is used to mechanically support and electrically connect electronic components using conductive tracks made from copper sheets laminated onto a non-conductive substrate
Product engineering services	: An engineering service provided to companies, typically in the semiconductor or electronics industry, to assist with the product design and validation, testing, fabrication and assembly of ICs or chips before mass production
Product lifecycle	: The stages that a product goes from its initial development and introduction to the market until it's declined and discontinued
Protocol analysers	: Measurement tools used to collect, monitor and analyse the data signals between devices or components that communicate using specific protocols
Robotic Process Automation or RPA	: This is a technology that is used to automate high-volume repetitive tasks
Signal Integrity or SI	: A set of measures of the quality of an electrical signal as it travels from one electric component to another
Site Acceptance Test	: This test validates that the system integrity and performance is in accordance with the customer's requirements. It involves the setup and running of the entire solutions, under a simulated environment and real-time environment
Smart cities	: Cities that use technology to automate the management of urban challenges, improve the security and quality of life of its residents, increase economic activity and encourage public participation in the aforementioned areas
Smart devices	: Electronic devices with in-built intelligent functionalities and able to operate with minimal human intervention. Examples include smartphones and smart wearables
Smart factory	: A smart factory automates the electronics and semiconductors manufacturing process as well as all other processes in a production facility, from the receipt of raw materials and supplies to the production and assembly of end-products. Workers remotely supervise the status of the various machinery and equipment throughout the entire production facility, and monitor and control the operations of the electronics manufacturing solutions in a control room. As a result, minimal human intervention is required in the entire production facility

GLOSSARY OF TECHNICAL TERMS *(cont'd)*

Smart wearables	: Wearable electronic devices with in-built intelligent functionalities and able to operate with minimal human intervention. Examples include smart glasses and smart watches
System level test debug	: The process of validating the test that has been performed in SLT as well as validating the defective engineering samples and defective production samples that have been rejected during the manufacturing process and returned by the customer
System level testing or SLT	: A type of testing that evaluates the functionality and performance of a complete and fully integrated system
Tofl	: Our Group's in-house universal data bridge and connectivity solution. Tofl enables connection between various machinery, equipment, control hardware/devices and software systems in a business premise or manufacturing facility
Universal Flash Storage or UFS	: A high-performance interface that is used applications that require low power consumptions, such as smartphones, tablets and automotive system
Universal Serial Bus or USB	: A connection standard that is used to connect computers with peripheral devices such as smartphones, printers, scanners or flash drives, for connecting or data transferring
User-interface or UI	: The point at which a user interacts with an electronic device, software application or website. The user is able to provide input or commands and receive output or feedback from the device, application or website
Video Graphics Array or VGA	: A video interface that transmit analog signals for video transmission
Workforce efficiency solution	: A solution which is equipped with smart wearable devices and system application to assist workers in improving efficiency in various activities of customers' business operations

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PRESENTATION OF INFORMATION

All references to “3REN” and “our Company” in this Prospectus are to 3REN Berhad. Unless the context otherwise stated, all references to “Group” are to our Company and our subsidiaries taken as a whole and words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “Government” in this Prospectus are to the Government of Malaysia, and references to “RM” and “sen” are to the lawful currencies of Malaysia. Certain abbreviations, acronyms and technical terms in this Prospectus are defined in “Definitions” and “Glossary of Technical Terms”. Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute, or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

The word “approximately” used in this Prospectus indicates that a number is not exact. Certain numbers presented in this Prospectus have been rounded off to the nearest thousandth or 2 decimal places, hence may not be accurate. Any discrepancies in the tables included herein between the amounts and totals are due to rounding.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate. 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, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, third-party projections, including the projections from IMR cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not rely on the third-party projections cited in this Prospectus.

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

Unless otherwise stated, any reference to a time of day in this Prospectus shall be a reference to Malaysian time.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus and you should not rely on that information for your decision on whether or not to invest in our Shares. If there is any discrepancy between the contents of such website relating to our Company and this Prospectus, the information contained in this Prospectus shall prevail.

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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:-

- (a) the demand of our services and/or products;
- (b) our business strategies;
- (c) our plans and objectives for future operations;
- (d) our future financial position, earnings, cash flows and liquidity; and
- (e) our ability to pay future dividends.

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

- (a) the COVID-19 pandemic and possible similar future outbreaks;
- (b) the economic, political and investment environment in Malaysia; and
- (c) 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 12.4 on Management’s Discussion and Analysis of Financial Condition and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality/ Gender
Dato' Boonler Somchit	Non-Independent Non-Executive Chairman	501F 7-02, Princess Block Diamond Villa Condo Jalan Tanjong Bungah 11200 Tanjong Bungah Penang	Malaysian/ Male
Koh Dim Kuan	Executive Director/ CEO	1-World, 2-16-9 Tingkat Mahsuri 2 11950 Bayan Baru Penang	Malaysian/ Male
Lee Chee Hoo	Executive Director/ CDO	1, Persiaran Kota Permai 1 Taman Kota Permai 14000 Bukit Mertajam Penang	Malaysian/ Male
Ahmad Khairuddin Bin Abdul Rahim	Independent Non-Executive Director	5, Jalan Sentosa Indah 1 Taman Sentosa Indah Teras Jernang 43000 Kajang Selangor	Malaysian/ Male
Hanita Binti Othman	Independent Non-Executive Director	81A, Jalan Sri Hartamas 2 Taman Sri Hartamas 50480 Kuala Lumpur	Malaysian/ Female
Joyce Wong Ai May	Independent Non-Executive Director	2A, Jalan Sungai Air Putih 6 Botanica-CT Bandar Baru Air Putih 11000 Balik Pulau Penang	Malaysian/ Female
Teresa Tan Siew Kuan	Independent Non-Executive Director	12, Halaman Bukit Gambir 9 11700 Gelugor Penang	Malaysian/ Female
Mohammad Hazani Bin Hassan	Non-Independent Non-Executive Director	6, Jalan Impian Jaya 10 Saujana Impian 43000 Kajang Selangor	Malaysian/ Male

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1. CORPORATE DIRECTORY (cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Joyce Wong Ai May	Chairwoman	Independent Non-Executive Director
Hanita Binti Othman	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ahmad Khairuddin Bin Abdul Rahim	Chairman	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Teresa Tan Siew Kuan	Chairwoman	Independent Non-Executive Director
Hanita Binti Othman	Member	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director

COMPANY SECRETARY

: **Ong Tze-En**
 (MAICSA 7026537)
 (SSM Practicing Certificate No. 202008003397)
 Villa Batu Bukit
 7-2-1 Jalan Batu Bukit
 10470 Tanjung Tokong
 Penang

Qualification : Chartered Secretary, Malaysian Institute of Chartered Secretaries and Administrators

REGISTERED OFFICE

: 170-09-01, Livingston Tower
 Jalan Argyll
 10050 George Town
 Penang

Telephone number: +604 229 4390

HEAD OFFICE

: No. 9, Jalan Industri Tangkas 1
 Taman Industri Tangkas
 14000 Bukit Mertajam
 Penang

Telephone number : +604 508 9737

E-mail : ir@3ren.com.my
 Website : www.3ren.com.my

1. CORPORATE DIRECTORY (cont'd)

- PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT** : **KAF Investment Bank Berhad**
(Registration No. 197401003530 (20657-W))
Level 13A, Menara IQ
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur
- SOLICITORS** : **Wong Beh & Toh**
1st Floor, Nos. 173 & 174
Jalan Kelab Cinta Sayang
Taman Ria Jaya
08000 Sungai Petani
Kedah
- AUDITORS AND REPORTING ACCOUNTANTS** : **Grant Thornton Malaysia PLT**
(Registration No. 201906003682 (LLP0022494-LCA) & AF 0737)
Level 5, Menara BHL
51, Jalan Sultan Ahmad Shah
10050 Penang
- Partner in-charge : Terence Lau Han Wen
(Approval No. 03298/04/2025 J)
- Qualification : Member of the Malaysian Institute of Accountants (Membership No. 39074)
- INDEPENDENT MARKET RESEARCHER** : **Providence Strategic Partners Sdn Bhd**
(Registration No. 201701024744 (1238910-A))
67-1, Block D, The Suites, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor
- Person in-charge : Melissa Lim Li Hua, Executive Director
- Qualification : Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia
- ISSUING HOUSE AND SHARE REGISTRAR** : **Tricor Investor & Issuing House Services Sdn Bhd**
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by the SAC

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2. APPROVALS REQUIRED AND MORATORIUM

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 19 June 2024, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital comprising 650,000,000 Shares and new Shares of up to 15.0% of our Company's total number of issued Shares (excluding treasury shares, if any) at any point in time, to be issued pursuant to the LTIP on the ACE Market of Bursa Securities.

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

No.	Details of the Conditions Imposed	Status of Compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository :- (a) Name of shareholders; (b) Number of shares; and (c) 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 Notes 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 3REN on the first day of listing.	To be complied.
6.	In relation to the public offering to be undertaken by 3REN, to announce at least 2 market days prior to the listing date, the result of the offering including the following:- (a) Level of subscription of public balloting and placement; (b) Basis of allotment/allocation; (c) A table showing the distribution for placement tranche as per the format in Appendix I; and (d) Disclosure of placees who become substantial shareholders of 3REN arising from the public offering, if any.	To be complied.
	KAF IB is to ensure that the overall distribution of 3REN's securities is properly carried out to mitigate any disorderly trading in the secondary market.	Noted.

2. APPROVALS REQUIRED AND MORATORIUM (cont'd)

No.	Details of the Conditions Imposed	Status of Compliance
7.	3REN and KAF IB to submit a confirmation to Bursa Securities on full compliance of the LTIP pursuant to Rule 6.43 of the ACE LR and to state the effective date of implementation of the LTIP. 3REN is also required to furnish Bursa Securities on a quarterly basis, a summary of the total number of new Shares listed pursuant to the LTIP at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.
8.	3REN/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 3REN to the Official List of the ACE Market.	To be complied.
9.	3REN and KAF IB are required to ensure full compliance with all requirements as provided under the Listing Requirements at all times.	Noted.

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 20 June 2024, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies subject to the following conditions:-

No.	Details of the Conditions Imposed	Status of Compliance
1.	Recognition of 32,460,000 Shares, representing 4.99% of 3REN's enlarged number of issued shares held by MTDC by MITI.	Complied.
2.	3REN to allocate Shares equivalent to 7.51% of its enlarged number of issued Shares to Bumiputera investors to be approved by MITI in conjunction with the Listing.	To be complied.
3.	3REN to make available at least 50% of the Shares offered to the Malaysian Public investors via balloting to Bumiputera public investors.	To be complied.

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2. APPROVALS REQUIRED AND MORATORIUM (cont'd)

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

Category of Shareholders	⁽¹⁾ After the Acquisitions		⁽²⁾ After the Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera				
- Bumiputera public investors via balloting	-	-	⁽²⁾ 16,250,000	2.50
- Bumiputera investors to be approved by the MITI	-	-	⁽²⁾ 48,800,000	7.51
- MTDC	65,960,000	12.21	32,460,000	4.99
Total Bumiputera	65,960,000	12.21	97,510,000	15.00
Non-Bumiputera	474,040,000	87.79	552,490,000	85.00
Malaysians	540,000,000	100.00	650,000,000	100.00
Foreigners	-	-	-	-
Total	540,000,000	100.00	650,000,000	100.00

Notes:-

- (1) Being the latest practicable date prior to the submission of our Listing application to Bursa Securities.
- (2) Based on the assumption that the Pink Form Shares offered to Eligible Parties who are non-Bumiputera are fully subscribed.
- (3) Based on the assumptions that the Shares offered to Bumiputera public investors via balloting and the Bumiputera investors to be approved by the MITI are fully subscribed.

2.1.3 SAC

The SAC had on 16 May 2024, classified our Shares as Shariah-compliant based on the Shariah criteria adopted by the SAC.

2.1.4 MITI

The MITI had, via its letter dated 23 May 2024 taken note and has no objection to our Listing.

MITI had also taken note that the listing complies with the requirement of 12.50% Bumiputera public spread whereby the Company had allocated 48,800,000 Shares representing 7.51% of the enlarged issued share capital of the Company has been allocated to Bumiputera investors recognised by MITI and the remaining 32,460,000 Shares representing 4.99% of the enlarged issued share capital of the Company owned by MTDC is recognised as existing Bumiputera shareholdings to meet the Bumiputera equity requirements.

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2. APPROVALS REQUIRED AND MORATORIUM (cont'd)**2.2 MORATORIUM**

As at the date of submission of our listing application to Bursa Securities, we have met the quantitative criteria for admission to the Main Market of Bursa Securities as confirmed by our Sponsor pursuant to Rule 3.19(1A)(b) of the Listing Requirements. Hence, in compliance with Rule 3.19(1A)(b) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the entire Shares held by the Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market.

Details of the Specified Shareholders and their Shares which will be subject to moratorium are as follows:-

Specified Shareholders	No of Shares	* %
Koh Dim Kuan	28,009,000	4.31
Lee Chee Hoo	129,211,000	19.88
R3 Capital	260,000,000	40.00
Total	417,220,000	64.19

Note:-

* Based on the enlarged issued share capital of 650,000,000 Shares after the IPO and Share Transfer.

The Specified Shareholders have provided their respective written undertakings that they will not sell, transfer or assign their entire Shares held in the Company during the moratorium period. Koh Dim Kuan and Lee Chee Hoo also undertake not to sell, transfer or assign any Shares that they may subscribe for arising from the exercise of SOP or any SGP Shares granted to them pursuant to the LTIP for a period of 6 months from the date of our Listing.

The moratorium shall also apply to the shareholders of R3 Capital, namely Koh Dim Kuan and Lee Chee Hoo, who have provided their respective written undertakings that they will not sell, transfer or assign their respective shares in R3 Capital during the moratorium period in accordance with Rule 3.19(2) of the Listing Requirements.

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

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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 BEFORE DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF THE IPO

The principal statistics of our IPO is as follows:-

No. of Shares to be issued pursuant to the Public Issue	110,000,000
No. of Shares to be offered under the Offer for Sale	45,000,000
No. of Shares to be issued pursuant to the First Tranche of SOP Award	16,250,000
Enlarged number of Shares after the IPO	650,000,000
Enlarged number of Shares after full exercise of First Tranche of SOP Award	666,250,000
IPO Price per Share (RM)	0.28
Market capitalisation (RM) <i>(calculated based on the IPO Price and enlarged issued share capital of 650,000,000 Shares upon listing)</i>	182,000,000
Gross proceeds from the Public Issue (RM)	30,800,000
Gross proceeds from the Offer for Sale (RM)	12,600,000

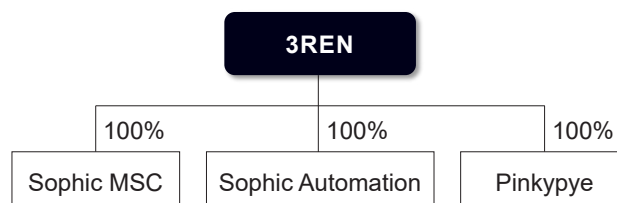
In conjunction with our Listing, we will establish an LTIP which entails the granting of LTIP Awards to the Eligible Person. Further details on our IPO and LTIP are set out in Section 4.3 of and Annexure A this Prospectus respectively.

Our Specified Shareholders' entire shareholdings after the Share Transfer will be held under moratorium for 6 months from the date of Listing. Separately, the ultimate shareholders of R3 Capital, namely Koh Dim Kuan and Lee Chee Hoo have also undertaken not to sell, transfer or assign their shareholdings in R3 Capital during the said moratorium period. Save as disclosed above, there is no other moratorium imposed on our Shares. Further details on the moratorium on our Shares are set out in Section 2.2 of this Prospectus.

3.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 5 April 2021 as a private limited company under the name of 3REN Sdn Bhd. On 19 February 2024, our Company was converted into a public limited company and we assumed our present name.

Our corporate structure as at the LPD is as follows:-



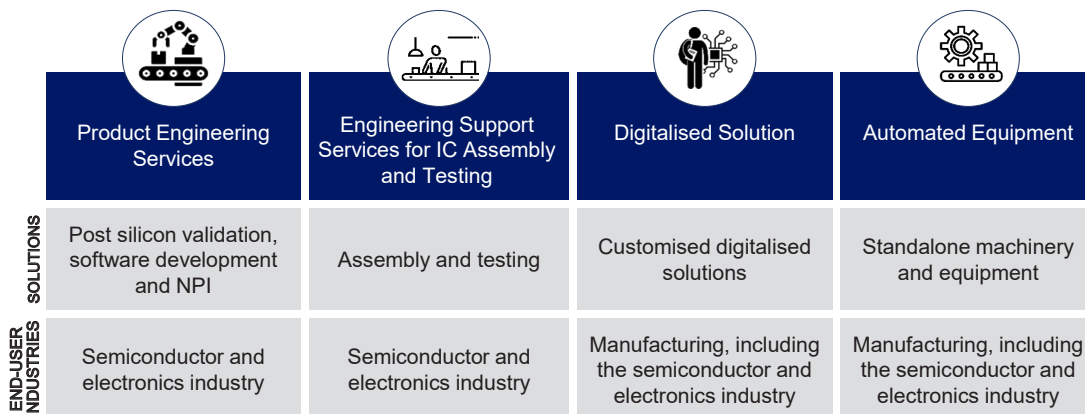
Our Company is principally an investment holding company whilst our subsidiaries are principally an automation solutions and engineering services provider. Our Group presently operates in Malaysia and our principal places of business is disclosed in Section 6.1.3 of this Prospectus.

Our Group's principal business activities and solutions are segmented as follows:-

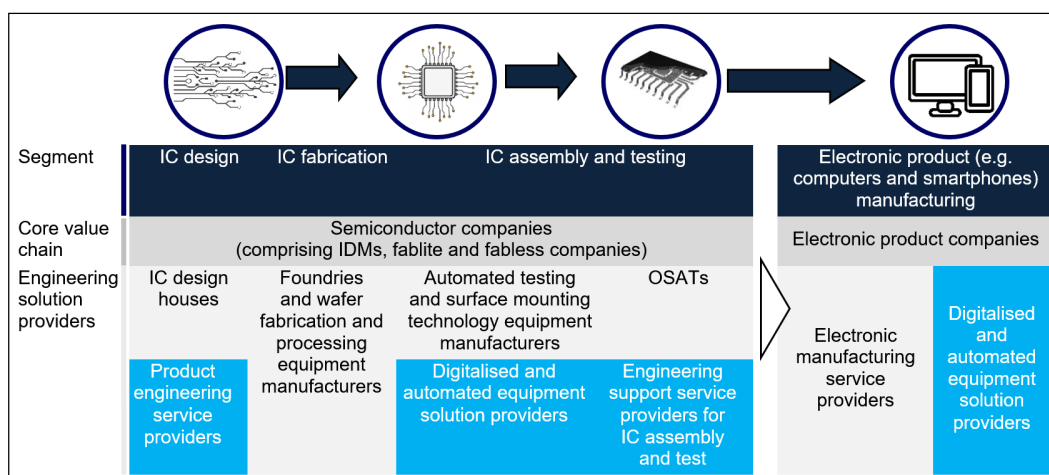
- Provision of product engineering services;
- Provision of engineering support services for IC assembly and testing;
- Design, development and sale of digitalised solutions; and
- Design, development and sale of automated equipment.



3. PROSPECTUS SUMMARY (cont'd)

Our business model is depicted in the following diagram:-



Our principal business activities serve various segments of the semiconductor and electronics industry value chain, as illustrated below:-

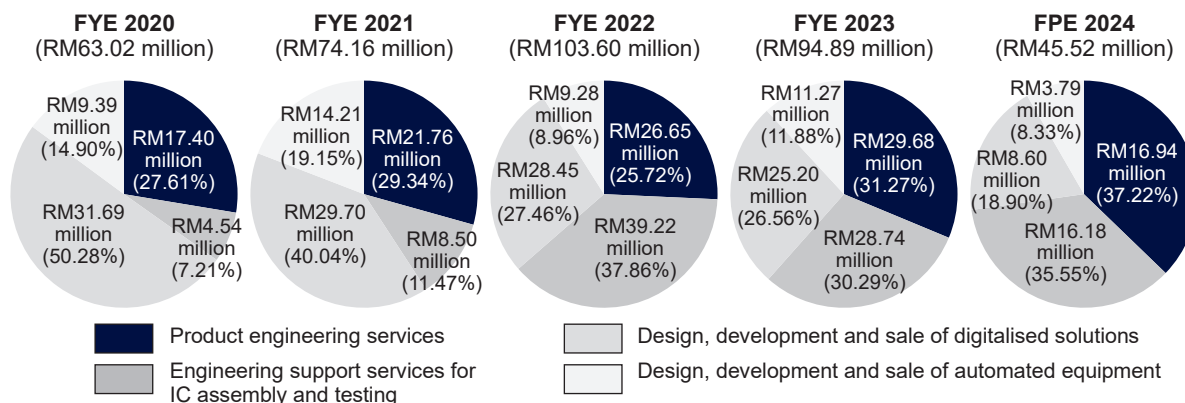


 Denotes the type of core processes which our Group principally carries out.
 Denotes the customer segment which our Group presently serves.

(Source: IMR Report)

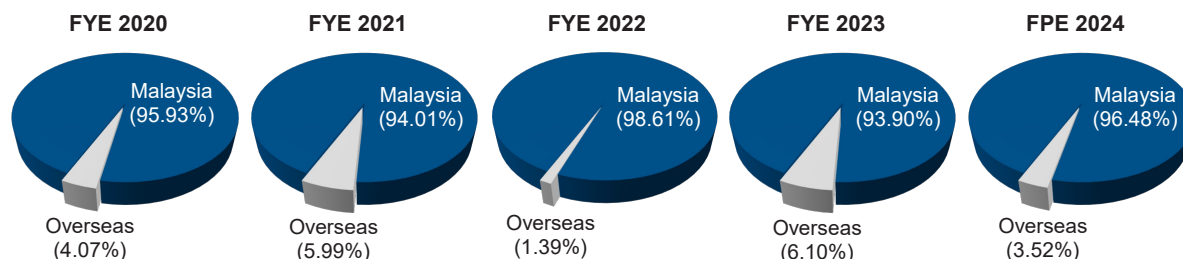
Apart from the above, our digitalised solutions and automated equipment are also developed and sold to customers in the manufacturing industries and other sectors such as automotive, healthcare, and industrial as well as local city councils.

Our revenue contribution by business segment for the Financial Periods Under Review are as follows:-



3. PROSPECTUS SUMMARY *(cont'd)*

Our revenue contribution by geographical locations for the Financial Periods Under Review are as follows:-



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

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are summarised as follows:-

(a) We have a wide range of solutions and services that are complementary and can cater to different industries and manufacturing needs

Our Product Engineering Services and Engineering Support Services team (supported by our contract-based skilled personnel) have the necessary skillsets, expertise and experience to manage IC assembly and testing related activities as well as to undertake product engineering services such as post-silicon validation, software development and NPI. These services are generally catered for the semiconductor and electronics industry particularly the IDMs who carry out design, development, fabrication, and assembly and testing of semiconductor products such as ICs or chips which are widely used in electronic products such as computers, smartphones, electric vehicles and automotive electronics.

Meanwhile, we are able to develop and sell digitalised solutions and automated equipment to companies from various industries including the semiconductor and electronics industry, as well as manufacturing industries and other sectors that seek to digitalise and automate their manufacturing processes. Our Engineering and Software Innovation team have the capability to conceptualise and customise the digitalised solutions or automated equipment used in carrying out numerous operational processes.

(b) We secure projects/orders from wide-range of customers mostly comprising multinational companies

Most of our customers are multinational companies, such as the Intel group of companies, KellyOCG, Customer A, Customer C, Customer D, Customer E and Customer F. Apart from our ability to maintaining long-term business relationships with some of our major customers such as Intel group of companies (14 years) and KellyOCG (8 years), we have been able to secure new customers such as Customers D, E and F which we acquired in 2023 to broaden our customer base.

Our ability in securing new and retaining existing clients is a testament to our service competence, product quality and proven industry track record. Since securing these customers, we have managed to retain many of them over the years. For the FPE 2024, we have a total of 70 customers of which 77.14% are recurring customers. Having such a strong portfolio of multinational and established local customers has given us the credentials to secure even more customers over the years, and moving forward, will help us grow our business further.

3. PROSPECTUS SUMMARY *(cont'd)*

(c) We have an experienced and technically-strong key management team

We are led by an experienced and committed key management team. Both our Executive Directors, Koh Dim Kuan (CEO) and Lee Chee Hoo (CDO), have played vital roles and been instrumental in the development, growth and success of our Group. Dim Kuan has been involved in the semiconductor industry for more than 15 years with extensive knowledge in automation solutions and engineering services whilst Chee Hoo has been involved in the automation and digitalisation industry for more than 20 years and has vast knowledge in the area of design and development of automated and digitalised solutions.

They are supported by a team of experienced and dedicated key senior management with extensive experience across a range of business activities, from operations to technical and finance to sales and marketing. This includes Liew Chee Kin, our Director of Sophic MSC, Elwyn Toh Jiern Wae, our Head of Software Innovation, Lai Goey Choo, our Head of Product Engineering Services, Wong Shin Guey, our Head of R&D, and Yeap Siew Wen, our Head of Finance. Their expertise and passion for our business have been instrumental in our Group's growth strategies. These key senior management have between 7 and 33 years of working experiences in their respective fields.

(d) We are well-positioned to benefit from the positive outlook of the industries we serve and involved in

As stated in the IMR Report, the product engineering service industry, IC assembly and test services industry and automated manufacturing and digitalised solutions industry, both in Malaysia and globally, are all expected to grow positively by 2026. The growth is mainly driven by, amongst others, growing semiconductor and electronic industries and manufacturing-related industries, modernisation and transformation of manufacturing facilities, increased outsourcing and relocation of manufacturing activities by multinational companies to Malaysia, and Government initiatives to develop the automation manufacturing and digitalised solution industry.

The IMR further projects that the global semiconductor and electronics industry is expected to rebound in 2024 and is forecasted to grow by 11.6% to reach USD588.0 billion in 2024, driven by demand for ICs for AI and high-performance computing and electric vehicles as well as government initiatives in China to support semiconductor production.

As an industry player in the IC design, assembly and test segment in Malaysia as well as in the automated manufacturing and digitalised solutions industry in Malaysia, our Group stand to benefit from the positive outlook of these industries, which will be driven by the growing semiconductor and electronics industry as well as manufacturing related industries.

Further details of our Group's competitive strengths are set out in Section 7.5 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are summarised as follows:-

(a) Strengthening of our R&D capabilities

As part of our continuing R&D efforts, we strive for innovation and keep abreast with technology evolution and market needs. We also look to develop new/enhanced solutions and equipment with the aim of strengthening our position in the industry.

As such, we intend to utilise RM5.1 million of the Public Issue proceeds for our continuing R&D initiatives which would include setting up of a dedicated innovation centre, hiring of additional R&D personnel as well as purchase of related IT software and hardware as well as R&D supporting tools and equipment.

3. PROSPECTUS SUMMARY *(cont'd)*

We intend to continue and undertake on-going R&D activities on the Nervii platform which began in the fourth quarter of 2022. The Nervii platform is intended to be a scalable platform for integrating all supporting systems and software utilised by the customer in their manufacturing processes.

We also intend to undertake new R&D projects which involve standardising the automated test and handler equipment by developing an Universal Test Automation Platform (Uni-TAP) as well as to expand our range of automated equipment to include the material transport system equipment.

All the above solutions/equipment are expected to be commercialised by the fourth quarter of 2026. We expect them to enhance our competitiveness amongst other solutions providers in the market. Our success in developing new and innovative solutions that cater to market demand and requirements is envisaged to contribute towards further growth in our operations and financial performance.

(b) Setting up of new Delivery Centres

We intend to set up our own dedicated Delivery Centres to specifically undertake certain product engineering services projects which are usually performed at various premises/locations of our customers. The Delivery Centre is aimed at fulfilling customers' requirements in terms of physical and network securities. Such dedicated centre, which includes facilities comprising dedicated design space with security and access controls and a server room with independent network infrastructure, would enable utilisation of customers' proprietary tools, hardware and software in a secured environment as well as remote log-in features. These capabilities would allow the Delivery Centre to provide lab space and more sophisticated engineering services. Further, we would be able to utilise the Delivery Centre to provide value added offering as turnkey embedded design services through our technical expertise with necessary infrastructure/tools to enable customer product development.

We plan to set up 2 Delivery Centres. For the first one, we are in the midst of negotiating with one of our existing customers, a multinational semiconductor producer, whilst the second one is intended for other customers. The First Delivery Centre is expected to be set up and commence operations by the fourth quarter of 2024 with the second Delivery Centre by the end of 2025.

The total costs for the 2 Delivery Centres are estimated at RM7.70 million of which RM7.20 million shall be funded from the Public Issue proceeds over a period of 36 months (which would include hiring of new staff, rental expenses, costs of renovation, fittings, office equipment and IT infrastructure as well as general utility and operating expenses) whilst the remaining RM0.50 million is to be financed via our internal funds.

(c) Establishment of a new office in Singapore

We intend to set-up a marketing and sales office in Singapore by the first half of 2025 to increase our market presence and enhance our sales and marketing initiatives. During the Financial Periods Under Review, we have secured orders from customers based in Singapore. These orders are mainly from related companies of multinational companies that had operations in Singapore. Our new Singapore office would provide us direct access/sales support to our existing customers as well as close proximity to prospective customers. By leveraging on our new Singapore office as a base, we will be able to expand our reach to other international countries in the future, which could grow our sales from a larger pool of multinational companies, as this would enhance our corporate profiling.

We intend to allocate RM3.0 million from the Public Issue proceeds to fully finance the establishment costs and working capital of our new Singapore office.

3. PROSPECTUS SUMMARY *(cont'd)*

Please refer to Section 7.19 of this Prospectus for further information on our future plans and strategies.

3.5 RISK FACTORS

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

- (a) We are dependent on Intel group of companies, both directly and indirectly through KellyOCG, which had contributed more than 10% of our total revenue during the Financial Periods Under Review and we expect them to continue contributing significantly to our Group's future revenue.
- (b) We are dependent on the continued efforts and abilities of our Executive Directors who are directly responsible for the vision, strategic direction, leadership, business planning and development as well as management of our Group's business operations. We are also dependent on our key senior management, who possess the relevant knowledge and experience in their respective fields of work to ensure the smooth operations of our business.
- (c) We are subject to project risks including delay/termination of secured orders by our customers. We have an order book of RM30.43 million based on total amount of purchase orders secured, which has not been recognised in our revenue as at the LPD. We may be affected from the delay/termination of the purchase orders secured from our customers as well as major project cost overrun.
- (d) We may be unable to effectively implement our business plans and strategies to strengthen our R&D activities, set up new Delivery Centres, and expand our reach internationally by setting up a sales office in Singapore as disclosed in Section 7.19 of this Prospectus. This may in turn, affect our future business and financial performance.
- (e) We are dependent on the ability to hire and retain skilled contractual and permanent personnel with the required expertise, technical skills and engineering capabilities in order to remain competitive in the industry. In the event we are unable to do so, it may adversely impact our operations and affect our capacity to secure new orders/contracts, which may negatively impact our ability to maintain and/or improve our financial performance.
- (f) We continue to face competition from other existing and prospective local and international industry players which may be capable of offering similar services and solutions despite our competitive advantages and key strengths.
- (g) We are exposed to legal, regulatory, political and economic conditions as well as operational risks in Malaysia or our export markets, as well as global supply chain changes arising from such risks. Our business may be subject to risks associated with conducting business internationally as we offer our solutions and services to customers and purchase parts and components from suppliers based overseas.

Further details on the risks associated with our Group and the IPO are set out in Section 9 of this Prospectus.

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

Our Directors and key senior management are as follows:-

<u>Directors</u> Dato' Boonler Somchit Koh Dim Kuan Lee Chee Hoo Ahmad Khairuddin Bin Abdul Rahim Hanita Binti Othman Joyce Wong Ai May Teresa Tan Siew Kuan Mohammad Hazani Bin Hassan	<u>Designation</u> Non-Independent Non-Executive Chairman Executive Director/CEO Executive Director/CDO Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Independent Non-Executive Director
<u>Key Senior Management</u> Koh Dim Kuan Lee Chee Hoo Liew Chee Kin Elwyn Toh Jiern Wae Lai Goey Choo Wong Shin Guey Yeap Siew Wen	<u>Designation</u> Executive Director/CEO Executive Director/CDO Director of Sophic MSC Head of Software Innovation Head of Product Engineering Services Head of R&D Head of Finance

Further details on our Directors and key management personnel are set out in Sections 5.2 and 5.5 of this Prospectus.

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

	Nationality/ Country of Incorporation	⁽¹⁾ Before our IPO				⁽²⁾ After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and Substantial Shareholders</u>									
Koh Dim Kuan	Malaysian	161,009,000	29.82	-	-	28,009,000	4.31	260,000,000	⁽³⁾ 40.00
Lee Chee Hoo	Malaysian	262,211,000	48.56	-	-	129,211,000	19.88	260,000,000	⁽³⁾ 40.00
<u>Substantial Shareholders</u>									
MTDC ⁽⁴⁾	Malaysia	65,960,000	12.21	-	-	32,460,000	4.99	-	-
Low Chee Onn ⁽⁴⁾	Malaysian	36,820,000	6.82	-	-	31,320,000	4.82	-	-
R3 Capital	Malaysia	-	-	-	-	260,000,000	40.00	-	-
Khazanah ⁽⁴⁾	Malaysia	-	-	65,960,000	⁽⁵⁾ 12.21	-	-	32,460,000	⁽⁵⁾ 4.99

Notes:-

- (1) Based on the issued share capital of 540,000,000 Shares before the IPO.
- (2) Based on the enlarged issued share capital of 650,000,000 Shares after the IPO.
- (3) Deemed interested by virtue of their respective shareholdings in R3 Capital pursuant to Section 8(4) of the Act.
- (4) They will cease to be substantial shareholders of the Company after the IPO.
- (5) Deemed interested by virtue of its shareholdings in MTDC pursuant to Section 8(4) of the Act.

Further details on our Promoters and substantial shareholders are set out in Section 5.1 of this Prospectus.

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

The estimated gross proceeds arising from the Public Issue of RM30.80 million shall accrue entirely to our Company and will be utilised as follows:-

Description	Amount (RM'000)	% of gross proceeds	Timeframe for Utilisation Upon Listing
Setting up new Delivery Centres	7,200	23.38	Within 36 months
R&D expenditure	5,100	16.56	Within 24 months
Establishment of new Singapore office	3,000	9.74	Within 36 months
Repayment of bank borrowings	7,600	24.67	Within 6 months
Working capital requirements	3,900	12.66	Within 24 months
Estimated listing expenses	4,000	12.99	Immediate
Total cash proceeds	30,800	100.00	

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

The gross proceeds arising from the Offer for Sale of RM12.60 million shall accrue entirely to the Offerors.

3.9 FINANCIAL HIGHLIGHTS**3.9.1 Combined Statements of Profit or Loss and Other Comprehensive Income**

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

	Audited				Unaudited	Audited
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FPE 2023 (RM'000)	FPE 2024 (RM'000)
Revenue	63,020	74,164	103,598	94,891	43,749	45,518
GP	18,909	21,798	24,193	27,503	10,823	11,894
PBT	14,514	17,346	14,026	14,738	4,598	5,871
PAT attributable to owners of the Company	11,251	16,073	12,037	11,597	3,823	4,779
GP margin (%) ⁽¹⁾	30.00	29.39	23.35	28.98	24.74	26.13
PBT margin (%) ⁽²⁾	23.03	23.39	13.54	15.53	10.51	12.90
PAT margin (%) ⁽³⁾	17.85	21.67	11.62	12.22	8.74	10.50
Basic EPS (sen) ⁽⁴⁾	2.08	2.98	2.23	2.15	0.71	0.89
Diluted EPS (sen) ⁽⁵⁾	1.73	2.47	1.85	1.78	0.59	0.74

Notes:-

- (1) Computed based on GP divided by revenue.
- (2) Computed based on PBT divided by revenue.
- (3) Computed based on PAT attributable to owners of the Company divided by revenue.
- (4) Basic EPS is computed based on PAT attributable to owners of the Company divided by the issued share capital of 540,000,000 Shares before the IPO.
- (5) Diluted EPS is computed based on PAT attributable to owners of the Company divided by the issued share capital of 650,000,000 Shares after the IPO.

Our audited consolidated financial statements for the Financial Periods Under Review were not subject to any audit qualifications.

3. PROSPECTUS SUMMARY (cont'd)

3.9.2 Combined Statements of Financial Position

The following table sets out our Group's historical combined statements of financial position as at 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024:-

	Audited As At				
	31.12.2020 (RM'000)	31.12.2021 (RM'000)	31.12.2022 (RM'000)	31.12.2023 (RM'000)	30.6.2024 (RM'000)
ASSETS					
Non-current assets					
Property, plant and equipment	2,753	8,462	17,716	17,751	17,152
Intangible assets	-	1,693	3,578	4,648	4,783
Right-of-use assets	614	643	1,224	938	1,137
Deferred tax assets	483	-	-	-	-
Other investments	906	1,572	1,918	-	-
Trade receivable	-	-	-	1,383	581
Contract assets	-	-	-	844	547
Total non-current assets	4,756	12,370	24,436	25,564	24,200
Current assets					
Inventories	2,888	3,072	4,945	3,355	7,531
Trade receivables	16,698	18,308	26,250	26,350	29,711
Other receivables, deposits and prepayments	1,418	2,056	2,777	3,173	5,307
Contract assets	253	1,396	4,387	4,276	4,579
Contract cost	-	1,360	748	741	676
Current tax assets	73	900	1,864	178	203
Fixed deposits with licensed banks	7,665	9,283	7,872	9,976	9,978
Cash and bank balances	12,518	15,967	8,204	5,945	5,905
Total current assets	41,513	52,342	57,047	53,994	63,890
TOTAL ASSETS	46,269	64,712	81,483	79,558	88,090
EQUITY AND LIABILITIES					
Share capital	-	*	*	*	*
Invested equity	9,660	9,660	9,660	9,660	9,660
Retained profits	24,970	40,293	47,759	49,356	54,135
TOTAL EQUITY	34,630	49,953	57,419	59,016	63,795
Non-current liabilities					
Deferred income	-	2	2	1	1
Borrowings	3,160	7,042	11,690	11,022	10,660
Lease liabilities	-	34	403	202	316
Deferred tax liabilities	2	536	1,217	1,609	1,449
Total non-current liabilities	3,162	7,614	13,312	12,834	12,426
Current liabilities					
Trade payables	3,426	2,001	723	888	1,785
Other payables and accruals	903	2,303	2,762	2,943	2,124
Contract liabilities	795	1,953	4,530	2,662	6,092
Borrowings	658	546	908	803	710
Lease liabilities	33	39	262	193	306
Deferred income	-	1	1	1	1
Dividend payable	-	-	1,566	-	-
Current tax liabilities	2,662	302	-	218	851
Total current liabilities	8,477	7,145	10,752	7,708	11,869
TOTAL LIABILITIES	11,639	14,759	24,064	20,542	24,295
TOTAL EQUITY AND LIABILITIES	46,269	64,712	81,483	79,558	88,090

* Represents RM2.00.

Further details on our financial information are set out in Sections 12 and 13 of this Prospectus.

3. PROSPECTUS SUMMARY (cont'd)**3.10 DIVIDEND POLICY**

Our Company does not have any formal dividend policy. Our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as actual profits registered for the year and the availability of funds in excess of working capital requirements for our businesses. The dividends declared and paid by Sophic Automation during the Financial Periods Under Review are set out below:-

	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FPE 2024 (RM'000)
Dividend declared	-	(1) 750	(2) 4,566	(3) 10,000	-
Dividend paid	-	(1) 750	(2) 3,000	(3) 10,000	-
Dividend payout ratio (%) (4)	-	4.7%	37.9%	86.2%	-

Notes:-

- (1) Dividends declared in FYE 2021 comprised the following:-
 - (a) interim dividend amounting to RM0.25 million in respect of FYE 2020 which was paid out in FYE 2021; and
 - (b) interim dividend amounting to RM0.50 million in respect of FYE 2021 which was paid out in FYE 2021.
- (2) Dividends declared in FYE 2022 comprised the following:-
 - (a) interim dividend amounting to RM3.00 million in respect of FYE 2022 which was paid out in FYE 2022; and
 - (b) dividend-in-specie of amounting to RM1.57 million pursuant to the disposal of 64% equity interest held by Sophic Automation in SVN Automation to its shareholders, namely Lee Chee Hoo, Koh Dim Kuan and Low Chee Oon, via the Capital Transfer Agreement entered into between Sophic Automation and the parties above on 9 November 2022.
- (3) Dividends declared in FYE 2023 amounting to RM10.0 million in respect of FYE 2023 which was paid out in FYE 2023.
- (4) Computed based on dividends declared divided by the PAT of the Company.

The dividends paid were funded entirely via our Group's internally generated funds.

Save as disclosed above and in Section 12.9 of this Prospectus, we have not and will not declare or pay any dividend or any pre-IPO dividend prior to the completion of our Listing.

Please refer to Section 12.9 of this Prospectus for further details of our dividends.

3.11 MATERIAL INTERRUPTIONS TO OUR BUSINESS

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

Further details on the COVID-19 conditions are set out in Section 7.22 of this Prospectus.

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4. PARTICULARS OF THE IPO

4.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on 9 October 2024 and will remain open until 5.00 p.m. on 23 October 2024. **Late applications will not be accepted.**

4.2 INDICATIVE TIMETABLE

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

Events	Indicative Dates
Issue of Prospectus / Opening date for the Application	9 October 2024
Closing date of the Application	23 October 2024
Balloting of Applications	25 October 2024
Allotment / Transfer of IPO Shares to successful applicants	4 November 2024
Date of Listing	6 November 2024

This timetable is tentative and is subject to changes that may be necessary to facilitate the implementation procedures. The application period for the IPO will close at the date stated above or such further period or periods as our Directors, Promoters and Offerors together with our Sole Underwriter may mutually decide, at their absolute discretion.

Our Directors, Promoters and Offerors together with our Sole Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time of Application to any later date or dates. If there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and announce on the website of Bursa Securities accordingly. Following this, the dates for the balloting of applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly.

4.3 DETAILS OF OUR IPO

The IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated in the manner described below.

4.3.1 Public Issue

The Public Issue of 110,000,000 new Shares at the IPO Price representing approximately 16.92% of the enlarged issued share capital will be made available for Application as follows:-

(a) Malaysian Public (via Balloting)

32,500,000 Public Issue Shares representing approximately 5.0% of our enlarged issued share capital are made available for application by the Malaysian Public, to be allocated by way of balloting, of which at least 50.0% is to be set aside strictly for Bumiputera public investors.

4. PARTICULARS OF THE IPO (cont'd)**(b) Pink Form Allocation**

In recognition of the contributions by the Eligible Parties, we have reserved 30,000,000 Public Issue Shares (being the Pink Form Allocation) representing approximately 4.61% of our enlarged issued share capital for subscription by the Eligible Parties, as indicated below:-

Category	No. of persons	Aggregate No. of Pink Form Shares
Eligible Directors ⁽¹⁾	6	1,250,000
Eligible employees ⁽²⁾	181	18,750,000
Business associates of our Group including any other persons who have contributed to our success ⁽³⁾	49	10,000,000
Total		30,000,000

Notes:-

- (1) The number of Pink Form Shares to be allocated to our eligible Directors are as follows:-

Eligible Directors	Designation	No. of Shares
Dato' Boonler Somchit	Non-Independent Non-Executive Chairman	500,000
Ahmad Khairuddin Bin Abdul Rahim	Independent Non-Executive Director	150,000
Hanita Binti Othman	Independent Non-Executive Director	150,000
Joyce Wong Ai May	Independent Non-Executive Director	150,000
Teresa Tan Siew Kuan	Independent Non-Executive Director	150,000
Mohammad Hazani Bin Hassan	Non-Independent Non-Executive Director	150,000
Total		1,250,000

The criteria for allocation to our eligible Directors are based on amongst others their future contribution to our Group. Koh Dim Kuan and Lee Chee Hoo, who are our Promoters, Directors and Substantial Shareholders, have opted not to participate in the Pink Form Allocation.

4. PARTICULARS OF THE IPO (cont'd)

(2) The allocation to our eligible employees (as approved by our Board) is based on the following factors:-

- (i) is at least 18 years of age and is a permanent, full-time and confirmed employee under the payroll of our Group;
- (ii) the seniority, position and their length of service in our Group; and
- (iii) their respective contribution made to our Group and other factors deemed relevant to our Board.

The proposed allocations of Pink Form Shares to our key senior management are as follows:-

Key Senior Management	Designation	No. of Shares
Elwyn Toh Jiern Wae	Head of Software Innovation	500,000
Lai Goey Choo	Head of Product Engineering Services	1,300,000
Wong Shin Guey	Head of R&D	1,500,000
Yeap Siew Wen	Head of Finance	1,000,000

Liew Chee Kin, who is a Director of Sophic MSC, has opted not to participate in the Pink Form Allocation.

(3) A total of 10,000,000 Public Issue Shares have been allocated to persons who have contributed to our success which includes our customers, suppliers and other business associates. The number of Pink Form Shares allotted to them is based on, amongst others, the nature, terms and length of their business relationship with us as well as the level of contribution and support to our Group.

(c) Private Placement to Bumiputera investors approved by the MITI

3,800,000 Public Issue Shares representing approximately 0.59% of our enlarged issued share capital will be made available for application by way of private placement to selected Bumiputera investors approved by MITI.

(d) Private Placement to selected investors

43,700,000 Public Issue Shares representing approximately 6.72% of our enlarged issued share capital will be made available for application by way of private placement to selected investors.

All the Public Issue Shares shall, upon allotment and issue, rank equally in all respects with our existing issued Shares, except that the Public Issue Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment and issuance of the Public Issue Shares.

Upon completing the Public Issue, our existing issued share capital will increase from 540,000,000 Shares to 650,000,000 Shares.

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4. PARTICULARS OF THE IPO

4.3.2 Offer for Sale

The Offerors will undertake an offer for sale of 45,000,000 Offer Shares at the IPO Price representing approximately 6.92% of our enlarged issued share capital. The Offer Shares will be made available for application by way of private placement to selected Bumiputera investors approved by MITI. Details of the Offerors are as follows:-

Offerors	Address	Position/Relationship With Our Group for the Past 3 Years	Before the IPO		Offer for Sale		After the IPO	
			No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Koh Dim Kuan	1-World, 2-16-9 Tingkat Mahsuri 2 11950 Bayan Baru Penang	Promoter, substantial shareholder, Executive Director/CEO	161,009,000	29.82	3,000,000	0.46	158,009,000	24.31
Lee Chee Hoo	1, Persiaran Kota Permai 1 Taman Kota Permai 14000 Bukit Mertajam Penang	Promoter, substantial shareholder, Executive Director/CDO	262,211,000	48.56	3,000,000	0.46	259,211,000	39.88
MTDC	Level 8, Menara Yayasan Tun Razak Jalan Bukit Bintang 55100 Kuala Lumpur	Shareholder	65,960,000	12.21	33,500,000	5.15	32,460,000	4.99
Low Chee Onn	6A-35-13 I-Santorini Jalan Seri Tanjung Pinang 1 10470 Tanjung Tokong Penang	Shareholder, Business Development Manager and a former director of Sophic Automation	36,820,000	6.82	5,500,000	0.85	31,320,000	4.82
Total			526,000,000	97.41	45,000,000	6.92	481,000,000	74.00

Notes:-

(1) Based on our issued share capital of 540,000,000 Shares before the IPO.

(2) Based on our enlarged issued share capital of 650,000,000 Shares after the IPO.

4. PARTICULARS OF THE IPO

4.3.3 Share Transfer

During the prescription period (i.e. 1 day after the issuance of the Prospectus up to a period of 30 days), the Specified Shareholders will transfer their respective shareholdings amounting to 260,000,000 Shares, in aggregate, or 40.0% equity interest in 3REN, to R3 Capital in conjunction with the IPO.

Details of the Share Transfer are set out below:-

Specified Shareholders	No. of Shares Held Before the Share Transfer	(1) %	No. of Shares to be Transferred to R3 Capital		No. of Shares Held After the Share Transfer	
				(2) %		(2) %
Lee Chee Hoo	259,211,000	48.00	130,000,000	20.00	129,211,000	19.88
Koh Dim Kuan	158,009,000	29.26	130,000,000	20.00	28,009,000	4.31

Notes:-

- (1) Based on the issued share capital of 540,000,000 Shares before the IPO.
(2) Based on the enlarged issued share capital of 650,000,000 Shares after the IPO.

The Share Transfer is based on the mutual agreement between the shareholders of R3 Capital and does not involve any issuance of new Shares. Upon Listing, R3 Capital will hold in aggregate 40.0% of the enlarged issued share capital of 3REN.

Please refer to Section 5.1.3 of this Prospectus for further details on R3 Capital.

4.3.4 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	16,250,000	2.50	-	-	16,250,000	2.50
- Non-Bumiputera	16,250,000	2.50	-	-	16,250,000	2.50
Eligible Parties	30,000,000	4.61	-	-	30,000,000	4.61
Selected investors	43,700,000	6.72	-	-	43,700,000	6.72
Bumiputera investors approved by MITI	3,800,000	0.59	45,000,000	6.92	48,800,000	7.51
Total	110,000,000	16.92	45,000,000	6.92	155,000,000	23.84

Note:-

- * Based on our enlarged issued share capital of 650,000,000 Shares after the IPO.

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4. PARTICULARS OF THE IPO *(cont'd)*

The 32,500,000 Public Issue Shares made available to the Malaysian Public have been fully underwritten by the Sole Underwriter. In the event of an over-subscription, acceptance of Applications received from the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board whilst in the event the Public Issue Shares are not subscribed for in full, those Shares will be made available for application by way of private placement to selected investors by the Sole Placement Agent. Any remaining unsubscribed Public Issue Shares thereafter will be subscribed by the Sole Underwriter, subject to the terms and conditions of the Underwriting Agreement.

The 30,000,000 Pink Form Shares made available to the Eligible Parties have been fully underwritten by the Sole Underwriter. Any Pink Form Shares which are not taken up will be made available firstly, for subscription by other Eligible Parties (excluding eligible Directors), secondly, to the selected investors by way of private placement, thirdly, to the Malaysian Public to be allocated via balloting and finally, by the Sole Underwriter pursuant to the terms of the Underwriting Agreement.

The 43,700,000 Public Issue Shares made available for application by way of private placement to selected investors by the Sole Placement Agent are not underwritten. Irrevocable undertakings would be obtained from the selected investors to subscribe for the Public Issue Shares by way of private placement. Any unsubscribed Shares under this allocation will be made available firstly, for subscription by other Eligible Parties (excluding eligible Directors) and secondly, to the Malaysian Public to be allocated via balloting process.

The 48,800,000 IPO Shares made available for application by Bumiputera investors approved by the MITI by way of private placement are not underwritten. Any IPO Shares under this allocation not subscribed or accepted by Bumiputera investors approved by the MITI shall firstly be offered to other institutional investors (which are part of the selected investors under Section 4.3.1(d) of this Prospectus) via private placement and secondly, to the Bumiputera general public via the balloting process. Thereafter, any remaining unsubscribed IPO Shares will be made available to other public investors via balloting process and/or offered to other selected investors via private placement, the proportion of which will be at the discretion of the Sole Placement Agent and our Board.

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 distribution of 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 Sole Placement Agent, in consultation with our Board, to be in the best interest of our Company. The Sole 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 25.0% 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 9.3.3 of this Prospectus for details in the event our Listing is delayed or aborted.

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 intend to subscribe for the IPO Shares beyond their respective entitlements under the Pink Form Allocation, and there is no person who has indicated to us that they intend to subscribe for more than 5.0% of the IPO Shares.

4. PARTICULARS OF THE IPO (cont'd)**4.4 LTIP**

In conjunction with our Listing, we will establish an LTIP of up to 15% of our issued share capital (excluding treasury shares, if any), which entails the granting of the LTIP awards to the Eligible Person.

The LTIP is intended to provide our Company with the flexibility to determine the most appropriate instrument or combination of instruments (i.e. share grant plan (“**SGP**”) and share option plan (“**SOP**”)) to reward and retain Eligible Persons whose services are vital to the continued growth and performance of our Group. It is also intended to provide incentives to the Eligible Persons for their commitment, dedication and loyalty towards attainment of higher performance.

The terms defined in the By-Laws in Annexure A of this Prospectus shall have the same meanings when used below unless otherwise stated or the context otherwise required. The salient features of the LTIP are as follows:-

(a) Maximum number of new Shares available under the LTIP

The maximum number of Shares which may be made available under the LTIP shall not in aggregate exceed 15% of the total number of our issued share capital (excluding treasury shares, if any) at any point of time during the LTIP.

In conjunction with the Listing, our Group intends to offer up to 16,250,000 SOP awards under the First Tranche of SOP Awards to the Eligible Persons, representing 2.50% of our enlarged issued share capital upon Listing. The exercise price for the First Tranche of SOP Awards shall be the IPO Price.

The following is the proposed specific allocation of the SOP to our eligible Directors and key senior management under the First Tranche of SOP Award:-

Name	Designation	No. of SOP Award Allocation
<u>Directors</u>		
Dato' Boonler Somchit	Non-Independent Non-Executive Chairman	50,000
Ahmad Khairuddin Bin Abdul Rahim	Independent Non-Executive Director	20,000
Hanita Binti Othman	Independent Non-Executive Director	20,000
Joyce Wong Ai May	Independent Non-Executive Director	20,000
Teresa Tan Siew Kuan	Independent Non-Executive Director	20,000
Mohammad Hazani Bin Hassan	Non-Independent Non-Executive Director	20,000
<u>Key Senior Management</u>		
Liew Chee Kin	Director of Sophic MSC	650,000
Elwyn Toh Jiern Wae	Head of Software Innovation	500,000
Lai Goey Choo	Head of Product Engineering Services	1,000,000
Wong Shin Guey	Head of R&D	1,500,000
Yeap Siew Wen	Head of Finance	500,000
Total		4,300,000

As we do not intend to grant any SGP awards within a year from our Listing, we will not identify the eligible directors (excluding independent directors) and eligible executives of our Group to be granted the SGP awards.

4. PARTICULARS OF THE IPO *(cont'd)*

(b) Basis of allocation and maximum allowable allotment

Subject to the maximum number of LTIP awards and any adjustments which may be made under the By-Laws, the aggregate maximum number of LTIP awards that may be allocated to any one category/designation of Eligible Person shall be determined entirely at the discretion of the LTIP committee.

No allocation of more than 10% of the total number of LTIP awards shall be made to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the total number of issued Shares (excluding treasury shares).

Not more than 50% of the LTIP awards shall be allocated in aggregate to the Directors and senior management of the companies in our Group.

(c) Retention Period

The Shares arising upon vesting of SGP awards and/or exercising of the right of SOP participants to subscribe for the Shares at the Option Price ("**SOP Options**") will not be subjected to any retention period or transfer restriction unless otherwise stated in the LTIP award(s) as determined by the LTIP committee from time to time. However, an eligible Director who is our Non-Executive Director shall not sell, transfer or assign the Shares obtained through the exercise of the SOP Options granted to them within 1 year from the SOP award date.

(d) Duration of the LTIP

The LTIP shall be in force for a period of 5 years from the effective date (following full compliance with all relevant requirements of the Listing Requirements) and our Board may, if the Board deems fit and upon the recommendation of the LTIP committee, extend the duration of the LTIP and such extension shall not in aggregate exceed 10 years from its effective date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

The LTIP may be terminated by the LTIP committee at any time before the date of expiry of the LTIP provided that an announcement is released to Bursa Securities on the effective date of termination, the number of Shares vested pursuant to the SGP and/or number of SOP Options exercised pursuant to the SOP and the reasons and justifications for the termination.

(e) Eligibility

Only Eligible Person who fulfil the following conditions as at the date of the LTIP award date shall be eligible to participate in the LTIP:-

- (i) In respect of an Employee:-
 - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is employed by our Group on a full-time basis or serving in a specific designation under an employment contract for a fixed duration (or any other contract as may be determined by the LTIP committee) and is on the payroll of any company within our Group and has not served a notice of resignation or received notice of termination;

4. PARTICULARS OF THE IPO *(cont'd)*

- (cc) must have been in the employment of our Group for at least 6 months prior to the LTIP award date;
 - (dd) is confirmed in writing as our full-time employee prior to and up to the LTIP award date; and
 - (ee) fulfils any other criteria and/or falls within such category as may be determined by the LTIP committee from time to time.
- (ii) In respect of an executive Director:-
 - (aa) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is appointed as an executive Director of our Company or any company within our Group for such periods as may be determined by the LTIP committee prior to and up to the LTIP award date; and
 - (cc) fulfils any other criteria and/or falls within such category as may be determined by the LTIP committee from time to time.
- (iii) In respect of a non-executive Director:-
 - (aa) is at 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (bb) is appointed as a non-executive Director of the Company or any company within our Group for such periods as may be determined by the LTIP committee prior to and up to the SOP award date; and
 - (cc) fulfils any other criteria and/or falls within such category as may be determined by the LTIP committee from time to time.
- (iv) LTIP awards to be awarded to any Eligible Person who is a Director, major shareholder or chief executive of the Company or persons connected with such Director, major shareholder or chief executive (as defined in the Listing Requirements) must be approved by our shareholders in a general meeting to be convened unless such approval is no longer required under the Constitution, the Listing Requirements and any other prevailing guidelines issued by the authorities.
- (v) An Eligible Person who holds more than 1 position within our Group shall only be entitled to the maximum allowable allotment of any one of those categories/designation of employment
- (vi) An Employee or Director of a dormant company within our Group is not eligible to participate in the LTIP.

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4. PARTICULARS OF THE IPO (cont'd)**(f) Option price**

The price at which an SOP participant will be entitled to subscribe for our Shares by exercising the SOP Option shall be:-

- (i) in respect of the First Tranche of SOP Award, the IPO Price; and
- (ii) in respect of any offer which is made subsequent to our Listing, as determined by the LTIP committee based on the 5-day volume weighted average market price of our Shares immediately preceding the SOP award date with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the LTIP.

Under the SGP, the reference price of the SGP awards to be awarded will be determined based on the fair value of the SGP awards, which will take into account, amongst others, the market price of the Shares as at or prior to the award date of the SGP awards.

Further details of the LTIP are set out in Annexure A of this Prospectus.

Save for the potential impact of the MRFS 2, the grant of the SOP awards will not have an immediate effect on the consolidated NA and NA per Share until such time when Shares are granted and vested or issued arising from the exercise of the SOP Options. Any potential effect on the NA and NA per Share of our Group in the future would depend on various factors, which may include the vesting condition of the SOP awards, number of Shares expected to be issued under the SOP awards, volatility of the market price of our Shares, market price of the Shares as at grant date, which can only be determined at the grant date, and the Option Price.

The EPS of our Group may be diluted, depending on the number of Shares issued/or transferred to the LTIP participants pursuant to the vesting of the SOP awards. In accordance with MFRS 2, the potential cost arising from the awarding of the SOP awards is required to be measured at fair value as at the LTIP award date and recognised as an expense in the consolidated statements of comprehensive income of our Company over the vesting period of such SOP awards and may therefore reduce the future earnings of our Group, the quantum of which can only be determined at the LTIP award date.

The potential effects of the LTIP on the earnings and EPS of our Group in the future cannot be determined at this juncture as it would depend on various factors as mentioned above. It should be noted that such potential cost of awarding the LTIP awards does not represent a cash outflow but only an accounting treatment.

4.5 BASIS OF ARRIVING AT THE IPO PRICE

Our IPO Price was determined and agreed upon by our Board, the Offerors and our Principal Adviser cum Sole Underwriter after taking into consideration the following factors:-

- (a) our proforma consolidated NA per Share of RM0.14 as at 30 June 2024 based on our enlarged issued share capital of 650,000,000 Shares after our IPO and subsequent to the utilisation of proceeds from our Public Issue.
- (b) our Group's EPS of approximately 1.78 sen computed based on our PAT attributable to owners of the Company for the FYE 2023 of approximately RM11.60 million and our enlarged share capital of 650,000,000 Shares upon Listing, which translate into a net PE Multiple of approximately 15.73 times based on the IPO Price.

4. PARTICULARS OF THE IPO (cont'd)

- (c) our competitive strengths as set out in Section 7.5 of this Prospectus;
- (d) our future plans and strategies as set out in Section 7.19 of this Prospectus; and
- (e) the industry overview and prospects 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.

4.6 SHARE CAPITAL, CLASSES AND RANKING OF OUR SHARES**4.6.1 Share Capital**

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

	No. of Shares	RM
Existing issued share capital	540,000,000	54,000,002
New Shares to be issued pursuant to the Public Issue	110,000,000	30,800,000
Less: Estimated listing expenses directly attributable to the Public Issue	*	(1) 1,489,000
Enlarged issued share capital upon Listing ⁽²⁾	650,000,000	83,311,002

Notes:-

- (1) Computed after taking into account the Public Issue and estimated listing expenses of RM4.00 million, of which RM1.49 million will be debited against our share capital and the remaining expenses of RM2.51 million has been/will be expensed off to the statement of comprehensive income.
- (2) The Offer for Sale will not have any effect on our enlarged issued share capital upon Listing.

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

4. PARTICULARS OF THE IPO (cont'd)

Subject to special rights attaching to any Share 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 as 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 by Representative) shall have 1 vote for each Share held. 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.

4.7 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 consolidated 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:-

	RM	Details
IPO Price	0.28	(A)
Audited combined consolidated NA per Share as at 30 June 2024 before our IPO	0.12	(B)
Proforma consolidated NA per Share as at 30 June 2024 after our IPO and the utilisation of Public Issue proceeds	0.14	(C)
Increase in proforma consolidated NA per Share attributable to existing shareholders	0.02	(C-B)
Dilution to the new investors	0.14	(A-C)
Dilution to the new investors as a percentage of the IPO Price	50.00%	(A-C) / (A)

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4. PARTICULARS OF THE IPO (cont'd)

Save as disclosed below, there is no substantial disparity between the IPO Price and the effective average cost per Share paid by our Promoters, substantial shareholders, Directors, key senior management and/or any persons connected with them since our incorporation up to the LPD:-

	(1) No. of Shares Held Before the IPO	Total Consideration Paid (RM)	Effective Average Cost Per Share (RM)
<u>Promoters, substantial shareholders and Directors</u>			
Koh Dim Kuan	161,009,000	16,100,900	0.10
Lee Chee Hoo	(2) 262,211,000	(2) 26,221,102	0.10
<u>Director and key senior management</u>			
Liew Chee Kin	14,000,000	1,400,000	0.10

Notes:-

- (1) Including Shares allotted pursuant to the Acquisitions.
(2) Including 2 subscribers' shares transferred to Lee Chee Hoo upon completion of the Acquisitions.

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

4.8 UTILISATION OF IPO PROCEEDS

Based on the IPO Price, we expect to raise gross proceeds of RM30.80 million from the Public Issue and each principal intended use of the proceeds is set out below:-

Description	Amount (RM'000)	% of gross proceeds	Timeframe for Utilisation Upon Listing
(a) Setting up new Delivery Centres	7,200	23.38	Within 36 months
(b) R&D expenditure	5,100	16.56	Within 24 months
(c) Establishment of new Singapore office	3,000	9.74	Within 36 months
(d) Repayment of bank borrowings	7,600	24.67	Within 6 months
(e) Working capital requirements	3,900	12.66	Within 24 months
(f) Estimated listing expenses	4,000	12.99	Immediate
Total cash proceeds	30,800	100.00	

4. PARTICULARS OF THE IPO (cont'd)

The proceeds from the Public Issue above (save for the estimated listing expenses) will be placed in short-term deposits with licensed financial institutions pending utilisation.

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

(a) Setting up New Delivery Centres

As part of our future business strategies, we intend to set up our own dedicated Delivery Centres to specifically undertake certain product engineering services projects which are usually performed at various premises/locations of our customers.

The advantages of having our own Delivery Centre include enhanced efficiency, cost optimisation, enhanced business continuity, flexibility and scalability, and knowledge retention and skill development.

The Delivery Centre is aimed at fulfilling customers' requirements in terms of physical and network securities. Such dedicated centre, which includes facilities comprising dedicated design space with security and access controls and a server room with independent network infrastructure, would enable utilisation of customers' proprietary tools, hardware and software in a secured environment as well as remote log-in features. These capabilities would allow the Delivery Centre to provide lab space and more sophisticated engineering services.

We plan to set up 2 Delivery Centres. For the first one, we are in the midst of negotiating with one of our existing customers, a multinational semiconductor producer, whilst the second one is intended for other customers.

Insofar as timing is concerned, the First Delivery Centre is expected to be set up and commence operations by the fourth quarter of 2024, with the second Delivery Centre by the end of 2025.

We have on 6 May 2024 entered into a tenancy agreement to rent our First Delivery Centre, which is located at Bayan Lepas, Penang, with a total built-up area of 1,960 sq ft for a period of 36 months. The setting up cost for the First Delivery Centre is approximately RM0.50 million (based on a combination of quotations obtained from suppliers/contractors as well as management's estimate), which includes renovation cost, fittings, workstations and equipment, and IT infrastructure, all of which will be financed via our internal funds.

The second Delivery Centre is also expected to be situated in Penang although we have yet to identify the specific location as at the LPD.

The total costs for the 2 Delivery Centres are estimated at RM7.70 million of which RM7.20 million shall be funded from the Public Issue proceeds over a period of 36 months whilst the remaining RM0.50 million is to be financed via our internal funds, details of which are set out below:-

Details	First Delivery Centre RM'000	Second Delivery Centre RM'000	Total Costs RM'000
Hiring of new staff for Product Engineering Services team ⁽¹⁾	*	*	5,550
Rental expenses ⁽²⁾	360	360	720
Renovation, fittings, office equipment and IT infrastructure ⁽³⁾	500	500	1,000
General utility and operating expenses	215	215	430
Total			7,700

4. PARTICULARS OF THE IPO (cont'd)

Details	First Delivery Centre RM'000	Second Delivery Centre RM'000	Total Costs RM'000
To be financed via the Public Issue proceeds			7,200
To be financed via internal funds			500

* The breakdown of additional staff costs by Delivery Centre cannot be determined at this juncture as it would depend on, amongst others, the commencement date of the centres, nature and timing of orders secured and placement of employees at either of the centres (which will be decided by our management).

Notes:-

(1) We plan to hire a minimum of 40 new permanent employees for our Product Engineering Services team (comprising mostly fresh graduates and/or junior engineers, i.e. with 1 to 2 years of experience), the details of which are as follows:-

Details	No. of New Staff to be Hired	(i) Estimated Total Cost (RM'000)
Software Engineer	13	(ii) 2,145
Validation Engineer	13	(iii) 2,145
Validation Technician	14	(iii) 1,260
Total	40	5,550

Notes:-

- (i) The estimated cost, which comprises basic salary and statutory contributions (excluding bonus) over a period of 36 months, is computed based on management's estimated average annual salary and number of staff to be employed based on respective level/position. The actual salary will be dependent on, amongst others, the qualification, years of experience and job scope.
- (ii) Estimated cost computed based on an average annual remuneration cost which ranges between RM50,000 and RM60,000.
- (iii) Estimated cost computed based on an average annual remuneration cost which ranges between RM28,000 and RM32,000.

The actual number of new employees to be employed by our Group as well as timing of recruitment will be dependent on the availability of such personnel. Typically, we expect to take 3 to 6 months to recruit a new hire from the date of job posting until the date of joining. The talents that we look to hire, apart from the requisite working experiences, would possess degrees in, amongst others, computer science, data science, software engineering, electronic and electrical engineering, and mechatronics engineering.

4. PARTICULARS OF THE IPO *(cont'd)*

The expansion of workforce is crucial to allow us to compete and secure for more orders particularly from Intel group of companies as well as to be in a stronger position to gain new prospective customers. This also provides more flexibility in managing resources and delivering our services on a timely basis. Due to the nature of our business which requires minimal upfront capital investment, the resources can be easily transferred between different projects. To ensure our future profitability and sustainability, we require the availability of workforce capability and capacity. This is an important factor that Intel group companies or potential customers typically consider before they award us orders/projects or engage us as a service provider. We train our staff, especially the junior members, to be able to perform multiple technical functions such as handling hardware procedures and software development tools. This enables us to have flexibility in managing and optimising our workforce resources.

From FYE 2020 to FYE 2023, our product engineering services segment has registered revenue growth at a CAGR of 19.48% from RM17.40 million to RM29.68 million. For the FPE 2024, we recorded revenue of RM16.94 million contributed from the same segment (FPE 2023: RM14.03 million). In tandem with the foregoing, we have increased our headcounts in the team from a total of 388 personnel (including 357 contract-based employees) as of the end of FYE 2020 to a total of 500 personnel (including 310 contract-based employees) as of the end of FPE 2024.

As at the LPD, we have a total of 509 personnel (including 307 contract-based personnel), under our Product Engineering Services team.

- (2) The total rental expenses for both Delivery Centres over a period of 36 months which were determined based on the actual rental cost (including service charges) for the First Delivery Centre.
- (3) Renovation cost, fittings, workstations and equipment, and IT infrastructure (both hardware and software) only for the second Delivery Centre which are estimated at RM0.50 million (based on similar estimates for the First Delivery Centre).

We believe that the setting up of our new dedicated Delivery Centres and particularly the expansion of our workforce will allow our Group to meet the demands of our existing and potential customers. This in turn will continue to enhance our Group's earnings and facilitate our future plans and strategies.

Please refer to Section 7.19.2 of this Prospectus for further details on our Delivery Centres.

Any excess proceeds allocated for our setting up of new Delivery Centres will be used for working capital purposes. Conversely, any shortfall thereof will be funded from our Group's internally generated funds.

(b) R&D expenditure

As part of our continuing R&D efforts, we strive for innovation and keep abreast with technology evolution and market needs. As such, we intend to utilise approximately RM5.1 million of the Public Issue proceeds for our continuing R&D initiatives which would include setting up of a dedicated innovation centre, hiring of additional R&D personnel as well as purchase of related IT software and hardware as well as R&D supporting tools and equipment in line with our R&D plans and strategies as set out in Section 7.19.1 of this Prospectus.

4. PARTICULARS OF THE IPO (cont'd)

The details of our future R&D expenditures, which are estimated at RM5.10 million and which are to be fully funded from our Public Issue proceeds over the next 24 months after our Listing, are as follows:-

Details	RM'000	RM'000
(i) Employing additional R&D personnel ⁽¹⁾		1,935
(ii) Purchase of IT hardware and software		2,195
- Upgrading of IT infrastructure ⁽²⁾	^1,005	
- Cloud infrastructure and subscription costs ⁽³⁾	*700	
- Development software and design software system ⁽⁴⁾	^190	
- Software licensing	*100	
- Computer related devices	#100	
- Registration of intellectual property rights	#100	
(iii) Purchase of R&D supporting tools and equipment ⁽⁵⁾		850
- Material transport system	^572	
- Universal test and handler automation platform	^52	
- Development hardware and system controllers	^226	
(iv) Others (including renovation, workstations, fittings and office equipment)		#120
Total		5,100

Notes:-

^ Based on quotations from supplier.

* Based on management's estimate for the subscription pricing which is sourced from official web stores.

Based on management's estimate.

(1) As at the LPD, we have a total of 16 personnel (including the Head of R&D) under our R&D department, all of whom are Malaysian. We intend to hire an additional 9 staff as part of our initiatives to empower our R&D team in supporting the ongoing efforts to develop new/enhanced products and solutions, and they include:-

- Software engineer
- Data scientist/engineer
- Cloud engineer
- AI engineer
- Mechanical engineer
- Developer and programmer

The estimated cost is computed based on an average annual remuneration cost which ranges between RM80,000 and RM135,000, for a period of 24 months. Such cost, which comprises basic salary and statutory contributions (excluding bonus), is based on management's estimate. The actual salary will be dependent on, amongst others, the qualification, years of experience and job responsibilities.

4. PARTICULARS OF THE IPO *(cont'd)*

The actual number of new employees to be employed by our Group as well as timing of recruitment will be dependent on the availability of such personnel. Typically, we expect to take 3 to 6 months to recruit a new hire from the date of job posting until the date of joining. The talents that we look to hire, apart from the requisite working experiences, would possess degrees in, amongst others, computer science, data science, software engineering, mechanical engineering, and electronic and electrical engineering.

- (2) Upgrading of IT infrastructure - We plan to upgrade our existing infrastructure to enhance our testing capability and storage capacity. The new infrastructure would include purchase of high performance server, enhanced operating system, power supply, storage solution and computing device which is expected to further boost networking, machine learning and cybersecurity systems of our R&D department. Besides, the new infrastructure is also aimed at enabling improved scalability of multiple application hosting for customer data.
- (3) Cloud infrastructure and subscription costs - We intend to upgrade our cloud infrastructure for data storage, cloud computing and hosting to enable and support scalability of both our existing and new digitalised solutions (including our new Nervii platform as disclosed in Section 7.19.1 of this Prospectus) through a subscription-based cloud computing platform.
- (4) Development software is used for functional testing in software development and programming whilst the Solidworks design software system is a 3D design and validation platform.
- (5) Included in the purchase of R&D supporting tools and equipment are the following:-
 - Material transport system (tracked guided mobile robot) including robotic handler system, brake system module, sensors, aluminium track and route, and battery system. This is intended for the development of prototypes and product demos, in particular, for our soon-to-be-developed automated equipment, namely, material transport system as stated in Section 7.19.1 of this Prospectus. Such prototypes are basically early sample or model built to test a concept or process from which we will develop operational product demos which will serve as a marketing and demonstration tool to both our existing and prospective customers.
 - Universal test and handler automation platform (mechanical handler module). The purchase of this platform is intended for the development of prototypes and product demos, in particular, for our soon-to-be-developed automated equipment, namely, automated test and handler equipment as stated in Section 7.19.1 of this Prospectus. Such prototypes are basically early sample or model built to test a concept or process from which we will develop operational product demos which will serve as a marketing and demonstration tool to both our existing and prospective customers.
 - Development hardware and system controllers which are essentially development tool to support the development of test programs, automation scripts and evaluation boards.

Please refer to Section 7.19.1 of the Prospectus for more information relating to our Group's future initiatives on R&D activities.

4. PARTICULARS OF THE IPO (cont'd)

Any excess proceeds allocated for our R&D expenditure will be used for working capital purposes. Conversely, any shortfall thereof will be funded from our Group's internally generated funds.

(c) Establishment of new Singapore office

Currently, we operate mostly from our principal places of business located in Penang and Selangor.

We intend to set-up a marketing and sales office in Singapore by the first half of 2025 to increase our market presence and enhance our sales and marketing initiatives.

We are currently exploring potential locations within the Central Business District. The estimated floor space for our Singapore office is about 600 sq ft. As at the LPD, we have yet to identify the exact office location for our Singapore office.

There are several multinational companies involved in semiconductor and manufacturing sectors that have their offices and plants located in Singapore including some of our existing customers. Our new Singapore office would provide us direct access/sales support to our existing customers as well as close proximity to prospective customers. By leveraging on our new Singapore office as a base, we will be able to expand our reach to other international countries in the future, which could grow our sales from a larger pool of multinational companies, as this would enhance our corporate profiling. The setting up of our Singapore office will initially involve hiring a small team of technician/marketing personnel to be based in Singapore on a fulltime basis.

We intend to fully finance the establishment costs and working capital of our new Singapore office, estimated at RM3.0 million, from our Public Issue proceeds. These expenses would include initial company set-up costs and professional fees, rental expenses, office renovation, office equipment and IT infrastructure (hardware and software), staff costs for 1 business development personnel and 2 software technicians, and utility expenses for a period of 36 months. The breakdown of these estimated costs is as follows:-

Details	RM'000
Staff related costs ⁽¹⁾	1,890
Rental expenses ⁽²⁾	370
Renovation, office equipment and IT infrastructure ⁽³⁾	170
Initial set-up cost and professional fees ⁽³⁾	70
General utility and overhead expenses ⁽²⁾	500
Total	3,000

Notes:-

- (1) We plan to initially hire 3 staff for our Singapore office (1 business development personnel and 2 software technicians). The estimated cost is computed based on an average annual remuneration cost which ranges between RM168,000 and RM252,000, for a period of 36 months. Such cost, which comprises basic salary and statutory contributions (excluding bonus), is based on management's estimate. The actual salary will be dependent on, amongst others, the qualification, years of experience and job responsibilities.

4. PARTICULARS OF THE IPO (cont'd)

- (2) The rental expenses, and general utility and overhead expenses are based on management's estimates and are computed over a period of 36 months.
- (3) These are based on management's estimates and are expected to be incurred in the initial stages prior to the commencement of operations.

Please refer to Section 7.19.3 of this Prospectus for details pertaining to the establishment of our new Singapore office.

Any excess proceeds allocated for our establishment of new Singapore office will be used for working capital purposes. Conversely, any shortfall thereof will be funded from our Group's internally generated funds.

(d) Repayment of bank borrowings

As at the LPD, our total bank borrowings stood at approximately RM11.25 million which comprised term loan facilities of RM10.65 million and hire purchase facilities of RM0.60 million. We intend to allocate RM7.60 million from the Public Issue proceeds to partially reduce some of our outstanding bank borrowings, the details of which are as set out below:-

Financial Institution	Facility Type	Purpose	Interest Rate Per Annum	Maturity Date	Outstanding amount as at the LPD (RM'000)	Proposed Repayment (RM'000)
RHB Islamic Bank Berhad	Islamic Term Financing	To part finance the renovation cost of Tangkas 9 Plant	4.40% (BFR-2.30%)	July 2043	775	750
Maybank Islamic Berhad	Islamic Term Financing	To part finance the purchase of Bukit Minyak Plant	4.45% (BFR-2.20%)	December 2035	1,305	1,250
RHB Islamic Bank Berhad	Islamic Term Financing	To part finance the purchase of Tangkas 9 Plant	4.40% (BFR-2.30%)	February 2042	4,119	2,000
RHB Islamic Bank Berhad	Islamic Term Financing	To part finance the purchase of Tangkas 3 Plant	4.30% (BFR-2.40%)	May 2042	3,136	3,000
Maybank Islamic Berhad	Islamic Term Financing	To part finance the purchase of Stellar Suites Office	4.35% (BFR-2.30%)	March 2042	987	600
	Total				10,322	7,600

The partial repayment of the above-mentioned borrowings is expected to have a positive financial impact on our Group with annual interest savings of approximately RM0.33 million based on the existing prevailing interest rate for each of the banking facility disclosed above.

Based on our enlarged issued share capital of 650,000,000 Shares after the IPO, the proposed partial repayment of bank borrowings is expected to reduce our overall gearing level from 0.18 to 0.04 times based on the proforma combined statement of financial position as at 30 June 2024.

4. PARTICULARS OF THE IPO (cont'd)

The final redemption sum will be determined based on the date of repayment and the actual interest savings may vary depending on the then applicable interest rate. The said partial repayment is not subject to any early settlement fee. In the event the proceeds for actual repayment of bank borrowings are lower than estimated, the excess will be used for our general working capital requirement.

(e) Working capital requirements

Our requirement for working capital is expected to increase in line with our expected expansion and business growth. Therefore, our Group proposes to allocate approximately RM3.9 million for our working capital requirements for the following:-

Details	RM'000
Payroll related costs ⁽¹⁾	2,500
Sales/Marketing related cost including exhibition, conference, travelling and accommodation ⁽²⁾	800
Training and development costs ⁽³⁾	500
Other general and administration expenses	100
Total	3,900

Notes:-

- (1) Payroll related costs including existing staff workforce as well as new hiring of personnel (excluding the new employees to be hired for the Product Engineering Services and R&D teams). Labour costs are our main direct cost and such costs are expected to increase due to salary increments and performance bonuses in order to attract and retain talents. We also intend to hire new headcounts from various disciplines for all our core business teams, which would allow us to position ourselves to undertake more projects/contracts from existing and prospective customers and support our Group's revenue growth.
- (2) We intend to participate in more exhibitions and conference, both in Malaysia and overseas, to further boost our reputation and market presence. Such initiative is expected to create awareness of our Group and our products/solutions as well as to create more opportunities to gain acceptance and orders from prospective customers. The proceeds earmarked for this purpose shall be utilised to cover the travelling and accommodation expenses for our personnel, exhibition/conference fees, booth set-up costs and freight/logistics related costs.

The potential exhibitions and conferences which we intend to participate include, but not limited, to the following:-

Name of Events	Organiser
SEMICON SEA	SEMI Southeast Asia
Malaysia National Electrical and Electronics Forum	Malaysia Semiconductor Industry Association
World Congress on Innovation and Technology Malaysia	PIKOM
MDEC Digital Exports related events	MDEC

4. PARTICULARS OF THE IPO (cont'd)

- (3) Cost of continuous training and development, conducted by external trainers and professional service providers, for both our existing and new personnel across all divisions. Such training and development is vital for our workforce, especially our engineers, developers, programmers and technicians, in order to keep abreast with the latest developments and evolutions in technology and industry demands (such as AI, machine learning and cybersecurity).

We have been funding our working capital and operational costs via our internally generated funds. Therefore, the availability of additional working capital is expected to enhance our Group's liquidity and cash flow position to support the expected growth in our daily operations.

(f) Estimated listing expenses

The breakdown estimated listing expenses to be borne by our Group are as follows:-

Details	RM'000
Advisory and professional fees ⁽¹⁾	2,500
Underwriting commission, brokerage fees and placement fees	900
Fees payable to authorities	100
Other miscellaneous expenses and contingencies ⁽²⁾	500
Total estimated listing expenses	4,000

Notes:-

- (1) Includes fees for our Principal Adviser, Reporting Accountants, Solicitors, IMR, Share Registrar and other professional advisers as well as our Issuing House.
- (2) Includes any other incidental charges or related expenses in relation to our IPO such as fees paid to translator, investor relation consultants, 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.

The Offer for Sale is expected to raise gross proceeds of approximately RM12.60 million, which will accrue entirely to the Offerors and we will not receive any of the proceeds. The Offerors shall bear their own expenses including, but not limited to, the placement fee in relation to the Offer for Sale.

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4. PARTICULARS OF THE IPO (cont'd)

4.9 UNDERWRITING COMMISSION, BROKERAGE FEE AND PLACEMENT FEE

4.9.1 Underwriting Commission

Our Sole Underwriter will underwrite 62,500,000 Public Issue Shares made available for application by the Malaysian Public and the Eligible Parties under the Pink Form Allocation. We are obligated to pay the Sole Underwriter an underwriting commission at the rate of 2.50% of the total value of the Public Issue Shares underwritten based on the IPO Price.

4.9.2 Brokerage Fee

Brokerage fee is payable in respect of the 32,500,000 Public Issue Shares made available for Application by the Malaysian Public at the rate of 1.0% of the IPO Price in respect of successful Applications which bear the stamp of participating organisations of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

4.9.3 Placement Fees

Our Sole Placement Agent has placed out a total of 92,500,000 IPO Shares to selected investors by way of private placement.

We will pay the Sole Placement Agent a placement fee of up to 2.25% of the total value of the Public Issue Shares placed out via the private placement.

The Offerors will pay the Sole Placement Agent a placement fee of up to 2.50% of the total value of the Offer Shares placed out via the private placement.

4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with our Sole Underwriter to underwrite 62,500,000 Public Issue Shares.

The following terms are reproduced from the Underwriting Agreement including terms which allow our Sole Underwriter to withdraw from the underwriting obligation after the opening of our IPO. The capitalised terms and numbering references used in this Section 4.10 shall have the respective meanings and numbering references as ascribed to it in the Underwriting Agreement:-

4. CONDITIONS PRECEDENT FOR UNDERWRITING

4.1 The obligations of our Sole Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:-

- (a) Bursa Securities' approval of our Listing remaining in full force and effect and that all conditions (except for any which can only be complied with after our IPO has been completed) have been complied with;
- (b) our Listing having been approved by the shareholders of our Company;
- (c) the lodging with the CCM of a copy of this Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA;
- (d) the registration with Bursa Securities of this Prospectus and the submission to Bursa Securities of accompanying documents on or before their issue, circulation or distribution to the public;

4. PARTICULARS OF THE IPO *(cont'd)*

- (e) all necessary approvals and consents required in relation to our IPO including but not limited to governmental approvals having been obtained and are in full force and effect and that all conditions to the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;
- (f) this Prospectus being issued not later than 3 months from the date of the Underwriting Agreement or such later date as may be agreed between our Sole Underwriter and our Company in writing;
- (g) our IPO and the offering and subscription of the IPO Shares in accordance with the provisions hereof not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities) or any jurisdiction within which such IPO Shares are offered;
- (h) there not being, in the opinion of our Sole Underwriter, on or prior to the last day and time for acceptance and payment of our IPO in accordance with this Prospectus and Application Form or any such date as may be extended from time to time by our Company together with the mutual agreement of our Sole Underwriter in writing, subject to the prior written approval of the relevant authorities, if required ("**Closing Date**"), any material adverse effect in the condition (financial, business, operations or otherwise) of our Group from that set out in this Prospectus which is material in the context of our IPO;
- (i) the delivery to our Sole Underwriter on the Closing Date and date of delivery of the Applications Form(s) together with the remittance of subscription monies payable on the application on the unsubscribed Shares by our Sole Underwriter ("**Settlement Date**"), respectively a certificate in the agreed form of our Company, signed by a duly authorised officer of our Company, dated the Closing Date and the Settlement Date, to the effect that the person who provides such certificate has carefully examined the Underwriting Agreement and that:-
 - (i) the representations, warranties and undertakings of our Company are true, accurate and correct and not misleading in all respects on and as of the Closing Date and Settlement Date (as the case may be), as though they had been given and made on the Closing Date and the Settlement Date (as the case may be), and our Company has complied with all the terms of the Underwriting Agreement and satisfied all the conditions on its part under the Underwriting Agreement to be performed and satisfied on or prior to the Closing Date and the Settlement Date (as the case may be);
 - (ii) since the date of the Underwriting Agreement, there has been no change or development that may have a material adverse effect;
 - (iii) the allotment and issuance of the Public Issue under our IPO are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia; and
 - (iv) all the conditions set out in the Underwriting Agreement with respect to our Company have been fulfilled and that no event has occurred with respect to our Company that would give rise to a right for our Sole Underwriter to give notice to our Company to terminate the Underwriting Agreement.

4. PARTICULARS OF THE IPO (cont'd)

- (j) the arrangements have been made by our Company to ensure payment of the costs and expenses pursuant to the Underwriting Agreement.

5. TERMINATION BY OUR SOLE UNDERWRITER UPON THE OCCURRENCE OF ADVERSE CHANGES AND CONSEQUENCE THEREOF

5.1 Notwithstanding anything contained in the Underwriting Agreement, our Sole Underwriter, may by notice in writing to our Company given at any time before our Listing date, terminate, cancel and withdraw its underwriting commitment if in the opinion of our Sole Underwriter:-

- (a) there is any breach by our Company of any of its obligations, the representations, warranties or undertakings set out in the Underwriting Agreement in any respect; or in the case of any warranties or representations or undertakings which are not qualified by any materiality requirements, in any material respect; and in either event, where such misrepresentation or breach is capable of remedy, the same not being remedied within 3 Market Days or on such other day which the parties may mutually agree in writing, but in any event no later than the Closing Date from the provision of a written notice to our Company, as the case may be, by our Sole Underwriter;
- (b) our Company withholds any material information from our Sole Underwriter, which, in the opinion of our Sole Underwriter, is likely to have a material adverse effect;
- (c) there shall have occurred, happened or come into effect any event or series of events beyond the control of our Sole Underwriter by reason of Force Majeure (as defined below) which would have or can be expected to have, a material adverse effect on the business, operations, financial condition or prospects of our Group or the success of our IPO or which is likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms or our Company shall sustain any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, in each case, that has had or could be expected to have a material adverse effect.

“Force Majeure” means causes which are unpredictable and beyond the control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:-

- (i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
- (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power; or
- (iii) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other Acts of God;

4. PARTICULARS OF THE IPO *(cont'd)*

- (d) any government requisition or other occurrence of any nature whatsoever which is reasonably likely to have a material adverse effect on the business, operations, financial condition or prospects of our Group or the success of our IPO;
- (e) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). 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:-
 - (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to our Listing date,

lower than 85%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (f) trading of all securities on Bursa Securities has been suspended or other material form of general restriction or imposition of any moratorium in trading for 3 consecutive Market Days or more;
- (g) any new law or regulation or change in law, regulation, directive, policy or ruling in any applicable jurisdiction which is reasonably likely to prejudice the success of our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or to transfer our underwritten Shares or which is reasonably likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (h) any part of the Private Placement or our IPO is stopped or delayed by our Company or the regulatory authorities for any reason whatsoever (unless such delay has been approved by our Sole Underwriter in writing);
- (i) our Listing does not take place on or before 2 months from the date of the issuance of this Prospectus or within 5 Market Days after the Settlement Date, whichever is earlier, or such other extended date as may be agreed by our Sole Underwriter;
- (j) approval for our IPO is withdrawn, modified and/or subject to terms and conditions which is, in the opinion of our Sole Underwriter, not acceptable to our Sole Underwriter;
- (k) any commencement of legal proceedings or action against our Company or any of their directors which in the opinion of our Sole Underwriter, would have or is likely to have a material adverse effect or make it impracticable to enforce contracts to allot and/or transfer our underwritten Shares;

4. PARTICULARS OF THE IPO *(cont'd)*

- (l) any of the approvals as referred in the Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented and such revocation, suspension, cessation, variation or supplement upon terms that would have or is likely to have a material adverse effect;
- (m) any material statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any material aspect which would have or is likely to prejudice the success of our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the underwritten Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms; or
- (n) any matter which arose immediately before the date of this Prospectus would have constituted a material and adverse omission in the context of the Public Issue.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of Promoters and Substantial Shareholders

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

	Nationality/ Country of Incorporation	(1) Before our IPO		(2) After the IPO					
		Direct		Direct		Indirect			
		No. of Shares	%	No. of Shares	%	No. of Shares	%		
<u>Promoters and Substantial Shareholders</u>									
Koh Dim Kuan	Malaysian	161,009,000	29.82	-	-	28,009,000	4.31	260,000,000	(3) 40.00
Lee Chee Hoo	Malaysian	262,211,000	48.56	-	-	129,211,000	19.88	260,000,000	(3) 40.00
<u>Substantial Shareholders</u>									
MTDC (4)	Malaysia	65,960,000	12.21	-	-	32,460,000	4.99	-	-
Low Chee Onn (4)	Malaysian	36,820,000	6.82	-	-	31,320,000	4.82	-	-
R3 Capital	Malaysia	-	-	-	-	260,000,000	40.00	-	-
Khazanah (4)	Malaysia	-	-	65,960,000	(5) 12.21	-	-	32,460,000	(5) 4.99

Notes:-

- (1) Based on the issued share capital of 540,000,000 Shares before the IPO.
- (2) Based on the enlarged issued share capital of 650,000,000 Shares after the IPO.
- (3) Deemed interested by virtue of their respective shareholdings in R3 Capital pursuant to Section 8(4) of the Act.
- (4) They will cease to be substantial shareholders of the Company after the IPO.
- (5) Deemed interested by virtue of its shareholdings in MTDC pursuant to Section 8(4) of the Act.

Our Promoters and substantial shareholders have the same voting rights as other shareholders of our Company and there is no arrangement with any third parties which may result in a change in control of our Company.

Save as disclosed above, we are not aware of any other person who can, directly or indirectly, joint or severally, exercise control over our Company.

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

5.1.2 Changes in Promoters' and Substantial Shareholders' Shareholdings

Save as disclosed below, there have been no other changes in the shareholdings of our Promoters and substantial shareholders in our Company since our incorporation on 5 April 2021 up to the LPD:-

	(1) As at 5 April 2021		(2) After the Acquisitions		(3) As at the LPD	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	%	%	%	%	%	%
Promoters and Substantial Shareholders						
Lee Chee Hoo	-	-	161,009,000	-	161,009,000	-
Koh Dim Kuan	-	-	262,211,000	-	262,211,000	-
			29.82		29.82	
			48.56		48.56	
Substantial Shareholders						
MTDC ⁽⁴⁾	-	-	65,960,000	-	65,960,000	-
Low Chee Onn ⁽⁴⁾	-	-	36,820,000	-	36,820,000	-
Khazanah ⁽⁴⁾	-	-	-	65,960,000 ⁽⁵⁾	-	65,960,000 ⁽⁵⁾
Matthew Ng Hau Keat ⁽⁶⁾	1	50.00	-	-	-	-
Saw Slew Kim ⁽⁶⁾	1	50.00	-	-	-	-
						12.21
						6.82
						12.21

Notes:-

- (1) Based on the issued share capital of 2 Shares as at 5 April 2021, being the incorporation date of our Company.
- (2) Based on the issued share capital of 540,000,000 Shares after the Acquisitions and the transfer of 2 subscribers' shares to Lee Chee Hoo.
- (3) Based on the issued share capital of 540,000,000 Shares before the IPO.
- (4) They will cease to be substantial shareholders of the Company after the IPO.
- (5) Deemed interested by virtue of its shareholdings in MTDC pursuant to Section 8(4) of the Act.
- (6) Ceased to be shareholders of the Company after the Acquisitions.

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

5.1.3 Profiles of our Promoters and Substantial Shareholders

The profiles of our Promoters and substantial shareholders are as follows:-

- (a) **Koh Dim Kuan**, a Malaysian aged 42, is our Promoter, substantial shareholder and Executive Director/CEO. He was appointed to our Board on 8 February 2024. He is responsible for the business strategy, development, management and the overall operations of our Group.

He graduated with a Diploma in Technology (Electronic Engineering) and an Advanced Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College in 2002 and 2004 respectively. He subsequently obtained a Bachelor in Electronics Systems Engineering from Sheffield Hallam University, United Kingdom in 2004.

He started his engineering career as a Graduate Trainee with Intel Microelectronics (M) Sdn Bhd in November 2004. He was promoted to Validation Design (Senior) in February 2005 where he was involved with post-silicon validation, product validation test plans and strategies, new product validation, managing project resources and providing technical debug support. He left the company in November 2008 to join Sophic Design as the Operation Manager and subsequently became a partner in October 2009. He was mainly responsible for overseeing the business operation as well as coordinating the overall training and consultancy works for Sophic Design. Sophic Design, a partnership formerly set up by Lee Chee Hoo, ceased its operation and transferred all of its businesses to SDTC Innovation Center Sdn Bhd (*now known as System Innotech Integration Experts Sdn Bhd*) (“**SIIE**”) and the partnership subsequently expired in February 2011.

In May 2009, he co-founded SIIE to undertake engineering and technical training, design and consultancy services. During his tenure at SIIE, he co-ordinated an industrial automation training development course, which included an advanced programmable logic controller module, microcontroller application design, servo controller training kit, and sensor and data acquisition integration. In addition, he also managed the semiconductor tests and measurement lab in the Selangor Human Resource Development Centre to support requests from industrial engineers, conduct training and prototype product test and measurement services. In May 2015, he resigned as a director and ceased to be a shareholder of SIIE to focus on the business of our Group. SIIE had since been dissolved in July 2023.

Leveraging on his experience and expertise in control system design and engineering as well as his network of customers in the industry, he joined Sophic Automation in June 2011 and assumed the role of Chief Operations Officer to oversee the overall operations, marketing and business development activities. He was redesignated as our CEO in June 2020. In November 2011, he co-founded Sophic MSC with Lee Chee Hoo to initially undertake information system engineering and solution development activities.

Together with Lee Chee Hoo, he has been instrumental in the development, growth and success of our Group. He has been involved in the semiconductor industry for more than 15 years with extensive knowledge in automation solutions and engineering services. He was the Chairman of Malaysia Industrial 4.0 System Integrator Association since January 2021 and he resigned in January 2023.

He also sits on the Board of all of our subsidiary companies. Please refer to Section 5.2.3 of this Prospectus for his past and present involvements in other companies outside of our Group.

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

- (b) **Lee Chee Hoo**, a Malaysian aged 50, is our Promoter, substantial shareholder and Executive Director/CDO. He was appointed to our Board on 8 February 2024. He is responsible for leading and facilitating our Group's business solutions, business growth and collaboration with ecosystem partners.

He graduated with a Bachelor in Electrical and Electronics Engineering from Universiti Sains Malaysia in 1998.

He started his career in June 1998 as an Engineer with Golden Hope Fibreboard Sdn Bhd where his responsibility included overseeing automation functions involving electrical devices and instruments at the company's manufacturing plant. In February 1999, he left the company to join Intel Products (M) Sdn Bhd as an Equipment and Process Engineer where he was responsible for various production and quality control activities including equipment and tooling development, product yield loss elimination activities and production capacity savings. He was promoted to Package Design Engineer and Electrical Analysis and Design Engineer in February 2001 where he was responsible for developing models and simulations for semiconductor chips. In January 2004, he was transferred to Intel Technology Sdn Bhd as a Senior Design Integrator, where he led a team of engineers in designing advanced semiconductor packaging for network processors. He was also responsible for the overall project management including managing production schedules, resource planning and design execution. He left Intel Technology in June 2007. During the same year, he set up a partnership, namely, Sophic Design, to offer technical training courses, design and consultancy services such as automation training kits and technical training program. In February 2011, Sophic Design ceased its operations and transferred all its businesses to SIIE, and the partnership subsequently expired in the same month.

He joined Sophic Automation as its director and became one of its shareholders in November 2008 and December 2008 respectively, and then assumed the role of CEO in 2013. Together with Koh Dim Kuan who joined Sophic Automation in June 2011, he gradually grew the business of Sophic Automation to be involved in the automation and digitalised solutions business and subsequently incorporated Sophic MSC with Koh Dim Kuan in November 2011. In August 2012, he became a director of SIIE where he was involved in the management of the overall business operations. In August 2015, he left SIIE to focus on growing and expanding our business operations. He was redesignated to his current position as a CDO in July 2020 and has since successfully guided and led the development of new digitalised solutions for our Group.

Together with Koh Dim Kuan, he has been instrumental in the development, growth and success of our Group. He has been involved in the automation and digitalisation industry for more than 20 years and has vast knowledge in the area of design and development of automated and digitalised solutions.

He also sits on the Board of Sophic Automation and Sophic MSC. Please refer to Section 5.2.3 of this Prospectus for his past and present involvements in other companies outside of our Group.

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

- (c) **R3 Capital** was incorporated in Malaysia under the Act on 3 June 2021 as a private limited company under its present name. R3 Capital is an investment holding company and does not have any subsidiary or associated company.

As at the LPD, the issued share capital of R3 Capital is RM2.00 comprising 2 ordinary shares.

As at the LPD, the directors and substantial shareholders of R3 Capital are Koh Dim Kuan and Lee Chee Hoo with equal shareholdings of 50.0% respectively.

Upon the completion of the Share Transfer, R3 Capital will become a substantial shareholder of our Company with total shareholdings of 260,000,000 Shares representing 40% of our enlarged issued share capital upon Listing.

The profiles of our other substantial shareholders before our IPO are as follows:-

- (i) **MTDC**, one of our substantial shareholders prior to our IPO, was incorporated in Malaysia under the Companies Act, 1965 on 10 March 1992 to promote the adoption of technologies by local companies via commercialisation activities of local inventions or acquisition of foreign technologies. MTDC is principally engaged in venture capital activities, management of government grants, technology incubation management and technology support services.

As at the LPD, the issued share capital of MTDC is RM123,697,437 comprising 92,623,063 ordinary shares and 23,530,803 preference shares.

The directors of MTDC are Tan Sri Abd Rahman Bin Mamat, Amirul Fares Bin Wan Zahir, Christina Foo, Faizal Bin Mohd Yusof, Mohammad Hazani Bin Hassan, Jamaludin Bin Bujang and Dato' Ts. Dr. Hj. Aminuddin Bin Hassim.

MTDC is wholly-owned by Malaysia's sovereign wealth fund, Khazanah.

- (ii) **Khazanah**, one of our indirect substantial shareholders prior to our IPO, was incorporated as a public limited company by shares on 3 September 1993 and commenced operations in 1994. It is owned by the Minister of Finance (Incorporated) except for one share held by the Federal Lands Commissioner (Incorporated).

Under its Advancing Malaysia strategy, Khazanah is committed to promoting financial and economic growth, socio-economic inclusivity, and development for the nation. Khazanah is positioned as a unique bridge between the Government, the Private Sectors, and the Rakyat (community). As a dedicated steward of the nation's future, Khazanah is committed to shaping a legacy of sustainable growth and equitable development for multiple generations.

Khazanah invests across all levels of the Malaysian economy, from listed Malaysian companies to emerging sectors and internationally across markets, asset classes, sectors, and geographies. Khazanah reports directly to the Government of Malaysia, and its board of directors is chaired by the Prime Minister, YAB Dato' Seri Anwar Ibrahim. Other board members of Khazanah are Datuk Seri Amir Hamzah Azizan, Goh Ching Yin, Datuk Azian Mohd Aziz, Wong Kang Hwee, Datuk Mohaiyani Shamsudin and Dato' Amirul Feisal Wan Zahir.

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

(iii) **Low Chee Onn**, a Malaysian aged 42, is our Group's Business Development Manager. He graduated with a Diploma in Mechanical Engineering from Politeknik Ungku Omar in 2003. He subsequently obtained a Bachelor of Technology in Electronics from Wawasan Open University in 2012.

He started his career as a Technician with OSRAM Technologies (Malaysia) Sdn Bhd in February 2004, where he was responsible for operating the front-end machines. He resigned in October 2005 and immediately joined Intel Technology Sdn Bhd as Engineer Technician where he was involved in mechanical testing on CPU substrates, data compilation and reporting. In January 2011, he was appointed as Failure Analysis Technician where he was the specific tools owner in the failure analysis lab before leaving the company in January 2014.

He joined Sophic Automation as Sales and Application Engineer in February 2014 where he was mainly responsible for co-ordinating, planning, designing and executing various projects. He was also responsible for customer needs and marketing services, ensuring products offerings and functionalities were aligned with consumer trends. In December 2017, he was promoted to his current position, Business Development Manager, where he oversees the business development activities of the Group including implementation of short to long-term business growth strategies, development of strategic customer portfolio, customer relations management and customer retention.

5.1.4 Promoters' and/or Substantial Shareholders' Remuneration and Benefits

Save for the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and/or 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 amount or benefits that have been paid or intended to be paid to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

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5. INFORMATION ON PROMOTERS, 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 the IPO and after the IPO are as follows:-

Directors	Designation	(1) Before the IPO			(2) After the IPO				
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Boonler Somchit	Non-Independent Non-Executive Chairman	-	-	-	-	500,000	0.08	-	-
Koh Dim Kuan	Executive Director/CEO	161,009,000	29.82	-	-	28,009,000	4.31	260,000,000	(3) 40.00
Lee Chee Hoo	Executive Director/CDO	262,211,000	48.56	-	-	129,211,000	19.88	260,000,000	(3) 40.00
Ahmad Khairuddin Bin Abdul Rahim	Independent Non-Executive Director	-	-	-	-	150,000	0.02	-	-
Hanita Binti Othman	Independent Non-Executive Director	-	-	-	-	150,000	0.02	-	-
Joyce Wong Ai May	Independent Non-Executive Director	-	-	-	-	150,000	0.02	-	-
Teresa Tan Siew Kuan	Independent Non-Executive Director	-	-	-	-	150,000	0.02	-	-
Mohammad Hazani Bin Hassan	Non-Independent Non-Executive Director	-	-	-	-	150,000	0.02	-	-

Notes:-

- (1) Based on the issued share capital of 540,000,000 Shares before the IPO.
- (2) Based on the enlarged issued share capital of 650,000,000 Shares after the IPO and assuming the eligible Directors fully subscribe for their respective entitlements under the Pink Form Allocation, where applicable.
- (3) Deemed interested by virtue of their respective shareholdings in R3 Capital pursuant to Section 8(4) of the Act.

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

5.2.2 Profiles of Directors

The profiles of our Executive Directors, namely Koh Dim Kuan and Lee Chee Hoo, who are also our Promoters and substantial shareholders, have been disclosed in Section 5.1.3 of this Prospectus. The profiles of our other Directors are as follows:-

- (a) **Dato' Boonler Somchit**, a Malaysian aged 71, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 20 March 2024.

He graduated with a Bachelor of Science with Honours in Ecology (Honours) from Universiti Malaya ("UM") in 1977. In January 1978, he joined UM as a Graduate Assistant and he was subsequently promoted to Administrative Assistant in May 1979 and to Assistant Registrar in April 1982 where he was involved with administrative functions in various departments within UM before leaving UM in June 1984.

In August 1984, he joined the ASEAN Food Handling Bureau, a non-profit organisation involved in food handling consultancy and research, where he was responsible for the administration and management function of the organisation. He left in January 1988 and in February 1988, he joined Sunway College Sdn Bhd as the Registrar where he oversees and administers the overall administration and academic functions of the company. He left Sunway College Sdn Bhd in May 1989. In June 1989, he joined PSDC as a director and was subsequently designated as the CEO. He was responsible for overseeing the overall operations, management and development of the centre before retiring in February 2014.

During his tenure with PSDC, he was instrumental in providing leadership and strategy development to ensure PSDC's continued relevance as a talent development organisation. He developed and maintained high-level key relationships with the PSDC management team, multinational corporations, SMEs and many government bodies and agencies, including TalentCorp, NCI, Khazanah, EPU, and MIDA. His other key responsibilities in PSDC include managing the operational and budget matters for the organisation, interfacing with trainers/subject matter experts and interacting with stakeholders and customer base to develop opportunities to support customers' development needs. He also represented PSDC as a guest speaker at national and international seminars, symposiums and conferences. He was also involved in providing consultancy and advisory services for several feasibility studies and setting up training and development centres nationally and internationally. He also sat on several boards and steering committees at both national and state government bodies/agencies.

Please refer to Section 5.2.3 of this Prospectus for his past involvements in other companies outside of our Group.

- (b) **Ahmad Khairuddin Bin Abdul Rahim**, a Malaysian aged 62, is our Independent Non-Executive Director. He was appointed to our Board on 20 March 2024. He is also the Chairman of our Remuneration Committee.

He obtained a Diploma in Business Studies from Institut Teknologi MARA (*now known as Universiti Teknologi MARA (UiTM)*) in 1983. He also obtained a Bachelor of Business Administration from Eastern Michigan University, USA in 1985 and a Master of International Business Administration from the United States International University, USA in 1988.

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

He started his career as an Assistant Registrar with International Islamic University, Malaysia in February 1989 where he was involved with general administration. He left the university in December 1990 and in January 1991, he joined MIDA as an Assistant Director in several divisions i.e. Resource Based Industries Division, Planning Division and Industry Support Division. In December 1999, he was assigned as Assistant Director to MIDA office in London, UK. He returned to Malaysia in February 2003 and was attached to the Manufacturing-related Services Division and was later promoted to Senior Assistant Director. He was subsequently promoted to Deputy Director in December 2005 and to Senior Deputy Director (Logistic Services and Regional Operation Division) in January 2008. In November 2009, he was assigned as Director to MIDA office in Sydney, Australia. In January 2013, he returned to Malaysia and assumed the position of Director in Clean/Green Technology and Management Division. He was subsequently promoted to Executive Director of Investment Promotion in July 2014, after which he was transferred to the Manufacturing Development (Resource) in May 2015. In May 2019, he was promoted to Senior Executive Director for Strategic Planning and Development. He was subsequently promoted to Deputy Chief Executive Officer for Investment Development in December 2019.

He retired from MIDA in February 2022 and he brings with him more than 30 years of working experience and knowledge with MIDA in various roles and functions. Throughout his tenure with MIDA, he was responsible for overseeing the investment promotion and industrial development of areas under the purview of MIDA. His portfolio in MIDA was on investment development, covering 11 divisions, namely, business services and regional operations; chemical and advanced materials; electrical and electronics; food technology and resources; life sciences and medical technology; lifestyle; machinery and metal; oil and gas, maritime and logistics; green technology; healthcare, education and hospitality; transport technology; and one unit, i.e., biocircular economy.

Please refer to Section 5.2.3 of this Prospectus for his past involvement in other company outside of our Group.

- (c) **Hanita Binti Othman**, a Malaysian aged 58, is our Independent Non-Executive Director. She was appointed to our Board on 20 March 2024. She is a member of our Audit and Risk Management Committee and the Nomination Committee.

She graduated with the Association of Chartered Certified Accountants (“**ACCA**”) from Emile Woolf College, United Kingdom in 1989. She is a member of the Malaysian Institute of Accountants (“**MIA**”) and a fellow of ACCA.

She started her career in auditing when she joined Coopers & Lybrand Kuala Lumpur as Audit Semi-Senior in June 1990. During her tenure at Coopers & Lybrand Kuala Lumpur, she was involved in various statutory and non-statutory audit of companies, due diligence review, internal control review and reporting accountant activities. She left Coopers & Lybrand Kuala Lumpur in September 1997 as an Audit Manager, to join SPK Sentosa Corporation Bhd as Senior Accountant where she was involved in managing the group’s accounting activities. In February 1998, she left SPK Sentosa Corporation Bhd to join Price Waterhouse (presently known as PricewaterhouseCoopers) as Audit Manager where she continued her career in auditing. In September 1999, she left Price Waterhouse to join the Kuala Lumpur Stock Exchange (presently known as Bursa Securities) as a Manager of the Financial Review and Surveillance department where she was involved in monitoring corporate activities and financial irregularities of listed companies.

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

In January 2001, she was transferred to the Securities Issues department in preparation to undertake a review of applications for listing on the Malaysian Exchange of Securities Dealing and Automated Quotation (“**MESDAQ**”) Market (revamped into the ACE Market in 2009). This also involved secondment to the SC’s Securities Issues department. The KLSE-MESDAQ merger was completed in March 2002. She became Head, Issues of the Securities Issues department in 2003. In January 2005, she was transferred to the Group Strategic Planning department where she was responsible for planning business strategies, monitoring Bursa Securities-wide initiatives and the implementation of certain initiatives under the Capital Market Masterplan.

In January 2006, she joined the SC as Assistant General Manager where she resumed her previous function involving the assessment and processing of applications for companies’ listing on the MESDAQ Market as well as secondary fund raisings on the Main Board, Second Board and MESDAQ Market. In September 2009, she left Securities Commission Malaysia and returned to Bursa Securities as Head of Issuers – ACE Market department where she continued her role in the assessment and processing of applications for listing on the ACE Market. In February 2017 she was transferred to the Primary Market of Securities Market division where she was involved in the marketing and development of initial public offering and fund-raising ecosystem. In August 2018, she was promoted to Senior Vice President of the Primary Market, Listing Development department. In March 2021, she left Bursa Securities to pursue her personal interests in other areas of corporate finance. Since March 2022, she serves as a consultant for Brunei Darussalam Central Bank on matters relating to listing and public offerings.

She does not have any past or present involvement in other companies outside of our Group.

- (d) **Joyce Wong Ai May**, a Malaysian aged 48, is our Independent Non-Executive Director. She was appointed to our Board on 20 March 2024. She is the Chairwoman of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nomination Committee.

She obtained a Bachelor of Commerce from the University of Tasmania, Australia in 1998. She is a member of the MIA, a corporate member of the Institute of Internal Auditors Malaysia and a fellow member of the Certified Practising Accountants, Australia.

She began her career as an Accounts Executive with Smith Zain Securities Sdn Bhd in June 1999 and later became the Head of Finance in 2002 under BBMB Securities Sdn Bhd, Penang Branch (BBMB Securities Sdn Bhd took over the business of Smith Zain Securities Sdn Bhd). She was responsible for treasury, management accounting and financial accounting. Following a takeover of the business of Smith Zain Securities Sdn Bhd by BBMB Securities Sdn Bhd, she was rehired as the company’s Penang branch Head of Finance in December 2002 where she was in charge of the overall branch-level activities for the Finance department before leaving the company in January 2004. In February 2004, she joined Hwang-DBS Securities Berhad as an Internal Audit Officer where she was responsible for conducting independent audits on risk management, operations, and financial areas. In July 2004, she left Hwang-DBS Securities Berhad. In August 2004, she joined Fastrack Corporate Sdn Bhd as an Executive, mainly responsible for handling secretarial-related matters for private and public companies. She left the company in January 2005 and joined UHY Malaysia as an Audit Supervisor and was subsequently promoted to Director in January 2015, where she was in charge of supervising the firm’s overall operations.

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

She left the firm in May 2016 to set up her own consulting firm, JWC Consulting Sdn Bhd which provides business management consultancy services and serves public listed companies with reviews on their business processes, corporate governance and risk management. Joyce also sits on the Industry Advisory Panel of the School of Business of Disted College, Penang.

She is currently an Independent Non-Executive Director of Dufu Technology Corp Berhad, PCCS Group Berhad and Edelteq Holdings Berhad, public companies listed on Bursa Securities. Further details of her past and other present involvements in companies outside of our Group are disclosed in Section 5.2.3 of this Prospectus.

- (e) **Teresa Tan Siew Kuan**, a Malaysian aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 20 March 2024. She is the Chairwoman of our Nomination Committee and also a member of our Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Economics from the University of Adelaide, Australia in 1992. She is a member of the Certified Practising Accountant (Australia) and the MIA.

She started her career as an Audit Assistant with Kassim Chan + Co (now known as Deloitte) in February 1992, where she was involved in external audit fieldwork for financial statements and internal control procedures for corporate clients. In October 1993, she left and joined Coopers & Lybrand (now known as PriceWaterhouse Coopers) as a Tax Assistant, where she was mainly involved in tax audit works. In June 1995, she left and joined Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) as an Executive, Corporate Finance and held her last position as an Assistant Vice President, Corporate Finance and Acting Branch Manager in July 2004. She then left to join K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) in August 2004 as a Senior Manager, Corporate Finance. During her tenure with the investment banks, she mainly provided corporate advisory services to corporate/institutional clients and public listed companies. She left in August 2007 and took a 1-year career break before joining KDU College Penang (now known as UOW Malaysia KDU Penang University College) in August 2008 as a lecturer in accounting and auditing subjects of the Australian tertiary twinning programmes. She left KDU College Penang in November 2009 and in February 2010, she rejoined K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) as a Senior Manager for the investment banking division, where she was responsible for marketing the group's products and services. In March 2014, she was transferred to Kenanga Investors Berhad, Penang as the Vice President, Business Development Manager where she was mainly responsible for the marketing and distribution of products and services to the retail market segment and the financial, operational and administrative matters of the Penang branch. In November 2017, she left Kenanga Investors Berhad and joined TT Vision Holdings Berhad as the Chief Finance Officer where she was responsible for the overall finance and accounts of the group whilst overseeing the listing exercise of the company on the LEAP Market of Bursa Securities. She left TT Vision Holdings Berhad in September 2019. Currently, she provides management and business consultancy services on a freelance basis.

She is currently an Independent Non-Executive Director of PLB Engineering Berhad and IQ Group Holdings Berhad, public companies listed on Main Market of Bursa Securities as well as BWYS Group Berhad which is listed on the ACE Market of Bursa Securities. Further details of her past and other present involvements in companies outside of our Group are disclosed in Section 5.2.3 of this Prospectus.

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

- (f) **Mohammad Hazani Bin Hassan**, a Malaysian aged 59, is our Non-Independent Non-Executive Director. He was appointed to our Board on 20 March 2024. He is also a corporate representative of MTDC to our Board.

He obtained a Bachelor of Science in Mechanical Engineering from the California State University, Sacramento, USA in 1988 and a Diploma in Management for Technology from the Singapore Institute of Engineering Technologists in 1993.

He started his career as a Research Assistant with SIRIM Berhad in October 1988 where he was mainly responsible for research work. He left the company in March 1989 to join Omron (M) Sdn Bhd as a Management Trainee. He left the company in March 1993 with his last position as Section Head, where he was involved in managing engineers and technicians for daily operations of plant facilities and machinery. During the same month, he joined MTDC as an Assistant Manager of Investment. He had held several positions within MTDC before he left as Assistant General Manager, Investment and Special Project in July 2001. He was mainly involved in deal sourcing and evaluation, deal structuring, technology transfer (locally and abroad) and fundraising activities.

In August 2001, he joined Kumpulan Modal Perdana Sdn Bhd (“**KMP**”) in August 2001 as Senior Vice President. He was also seconded to Hi Tech Ventures Capital LP in Silicon Valley, USA between October 2004 and October 2007. He left the company in May 2012 with his last position as the Principal. During his tenure with KMP, he was involved with venture capital funds activities, managing special projects, including the local microchip design initiative and business accelerator operation through plug and play technology management. In June 2012, he rejoined MTDC as Director, Technology Transfer and Commercialisation. In June 2015, he was promoted to Director, Technology Ventures Division before being promoted to his current position as CEO in January 2023.

He has vast experience in fund management, venture capital and technology transfer having been involved in the industry for the last 30 years, both locally and internationally. He was previously the Chairman of the Malaysian Venture Capital Association and a management committee member of the Technopreneur Association of Malaysia management committee.

He also sits on the Board of Sophic Automation. Details of his past and other present involvements in other companies outside of our Group, including several MTDC's investee companies, are disclosed in Section 5.2.3 of this Prospectus.

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

5.2.3 Involvement of our Directors in Other Businesses/Corporations Outside Our Group

Save as disclosed below, our Directors do not have any other principal directorship held or principal business activities performed by them in other businesses or corporations outside our Group within the past 5 years up to the LPD:-

Director	Company/Business	Principal Activities	Position	Date of Appointment/Resignation	% Equity Interest as at LPD
Dato' Boonler Somchit	<u>Past Involvement</u> 1. Teluk Nibong Ventures Sdn Bhd	Provision of transition support services including outplacement support and training support services for the development of human capital (Dissolved on 25 April 2022)	Director	01.01.2015/ 31.07.2020	-
	2. Penang Masonic Temple Sdn Bhd	Fraternal society	Director	31.10.2016/ 14.10.2019	-
Koh Dim Kuan	<u>Existing Involvement</u> 1. R3 Capital	Investment holding with sole purpose of holding our Shares pursuant to the Share Transfer	Director and shareholder	03.06.2021/ -	50.00
	2. SVN Automation	Trading of office and factory furniture, repair and installation services	Shareholder	-	22.40
	<u>Past Involvement</u> 1. Inno OPX Sdn Bhd	Computer programming activities	Director	23.09.2019/ 15.03.2023	-
	2. Agensi Pekerjaan Sophic Sdn Bhd	To carry on the business as private employment agency, to recruit and place a worker to another employer (Struck-off on 29 June 2022)	Director	26.10.2020/ 29.06.2022	-
	3. Maju Seimpian PLT	Providing consultation and services in horticulture, plantation, cash crop planting and fruit trading	Partner	31.05.2013/ 09.03.2022	-

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

Director	Company/Business	Principal Activities	Position	Date of Appointment/ Resignation	% Equity Interest as at LPD
	<p>4. Easy Remote Solution Sdn Bhd</p> <p>5. Joman Sdn Bhd</p>	<p>Provide things of internet total solution to various industry, equipped with the most hardware and software knowledge on smart manufacturing process</p> <p>Trading in computer and computer stationers</p>	<p>Director</p> <p>Director</p>	<p>29.05.2017/ 12.05.2021</p> <p>17.04.2017/ 12.05.2021</p>	<p>-</p> <p>-</p>
Lee Chee Hoo	<p><u>Existing Involvement</u></p> <p>1. R3 Capital</p> <p>2. SVN Automation</p> <p><u>Past Involvement</u></p> <p>1. Agensi Pekerjaan Sophic Sdn Bhd</p> <p>2. Easy Remote Solution Sdn Bhd</p> <p>3. Joman Sdn Bhd</p>	<p>Investment holding, with sole purpose of holding our Shares pursuant to the Share Transfer</p> <p>Trading of office and factory furniture, repair and installation services</p> <p>To carry on the business as private employment agency, to recruit and place a worker to another employer (Struck-off on 29 June 2022)</p> <p>Provide things of internet total solution to various industry, equipped with the most hardware and software knowledge on smart manufacturing process</p> <p>Trading in computer and computer stationers</p>	<p>Director</p> <p>Shareholder</p> <p>Director</p> <p>Director</p> <p>Director</p>	<p>03.06.2021/ -</p> <p>-</p> <p>10.01.2013/ 29.06.2022</p> <p>29.05.2017/ 12.05.2021</p> <p>17.04.2017/ 12.05.2021</p>	<p>50.00</p> <p>36.48</p> <p>-</p> <p>-</p> <p>-</p>
Ahmad Khairuddin Bin Abdul Rahim	<p><u>Past Involvement</u></p> <p>1. Malaysia Steel Institute</p>	<p>Promote and develop competitiveness, resilience and sustainability of the Malaysian iron and steel industry; provide advisory services and carry out, commission or promote study scientific, technological and economic aspects of iron and steel industry development in Malaysia; promote iron and steel product standardisation and utilisation within Malaysia</p>	<p>Director</p>	<p>03.12.2021/ 25.02.2022</p>	<p>-</p>

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

Director	Company/Business	Principal Activities	Position	Date of Appointment/ Resignation	% Equity Interest as at LPD
Joyce Wong Ai May	<i>Existing Involvement</i> 1. Edeliteq Holdings Berhad	A public company listed on ACE Market of Bursa Securities with subsidiaries principally involved in design and assembly of integrated circuits burn-in boards and supply of printed circuit boards, supply and refurbishment of IC assembly and test consumables, design, development and assembly of automated test equipment and factory automation, and trading of operating supplies, spare parts and tools	Independent non-executive director	01.08.2022/ -	-
	2. PCCS Group Berhad	A public company listed on Main Market of Bursa Securities with subsidiaries principally engaged in R&D, manufacturing, import and export of medical and healthcare product, printing and sale of labels and stickers, manufacturing of seamless bond and silk screen products, manufacturing and sale of apparels, provision of agency and handling services and manufacturing and trading of garments, wholesale of medical, professional, scientific and precision equipment, financial leasing activities	Independent non-executive director	02.11.2020/ -	0.03
	3. Dufu Technology Corp Berhad	A public company listed on Main Market of Bursa Securities with subsidiaries principally engaged in design, development, manufacture, assembly and trading of die components and precision machining of vice, computer peripherals and parts for hard disk drive, manufacturing and trading of optics and magnetism driver and parts, engaging in metal precision manufacturing and processing parts such as metal components for special equipment for electronics industry, air conditioning compressor accessories and auto parts, design, develop, manufacture, fabricate, assembly and trading of precision steel mould, metal products and steel parts, medical industry's chairs and instrument tables and processing and trading of high quality computer disk-drive related components	Independent non-executive director	23.05.2016/ -	-

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

Director	Company/Business	Principal Activities	Position	Date of Appointment/ Resignation	% Equity Interest as at LPD
	4. JWC Consulting Sdn Bhd <i>Past Involvement</i> 1. NCT Alliance Berhad	Business management consultancy services A public company listed on Main Market of Bursa Securities with subsidiaries principally engaged in general contractor and contractor of renovation works, property development, provision of project management services to companies within the same group and buying, selling, renting and operating of self-owned or leased real estate-land	Director and shareholder Independent non-executive director	04.05.2016/ - 22.12.2017/ 11.09.2019	50.00 -
Teresa Tan Siew Kuan	<i>Existing Involvement</i> 1. WTEC Group Berhad 2. BWYS Group Berhad 3. IQ Group Holdings Berhad 4. PLB Engineering Berhad <i>Past Involvement</i> 1. TCS Advisors PLT	A public company with subsidiaries involved in the manufacturing and trading of foam and non-foam products A public company listed on the ACE Market of Bursa Securities with subsidiaries involved in manufacturing of sheet metal products and supply of scaffoldings, trading of steel materials and steel related products A public company listed on the Main Market of Bursa Securities with subsidiaries principally involved in the design, manufacture and sales of motion sensors, sensor and security lighting, wireless door entry products, home security system, lighting fixtures and household electrical appliances A public company listed on the Main Market of Bursa Securities with subsidiaries principally involved in building construction and property development Dormant	Independent non-executive chairperson Independent non-executive director Independent non-executive director Independent non-executive director Partner	19.08.2024/ - 01.08.2023/ - 01.03.2023/ - 05.10.2022/ - 30.09.2019/ 14.03.2023	- 0.02 - - -

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

Director	Company/Business	Principal Activities	Position	Date of Appointment/Resignation	% Equity Interest as at LPD
Mohammad Hazani Bin Hassan	<u>Existing Involvement</u> 1. Pitch Platforms Sdn Bhd 2. Wiserite Sdn Bhd 3. MTDC 4. Bateriku (M) Sdn Bhd 5. MTDC BSF Sdn Bhd 6. MTDC BGF Sdn Bhd 7. Vepro Group Sdn Bhd 8. Sentinext Therapeutics Sdn Bhd 9. Al-Meswak Mu'min Sdn Bhd	Provision of platform services for crowd funding, programming systems, digital training, technical advisers and other related services Investment holding of companies which are involved in technology sector Engaged in venture capital activities, management of government grants, technology incubation management and technology support services Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles, insurance agent, other management consultancy activities Venture capital companies, activities of holding companies, investment advisory services Investment advisory services, venture capital companies, activities of holding companies Manufacturing, engineering, design, integration and service provider of packaging, filling, processing equipment machinery, robotic system, material handling and automation machinery, customize software, material trading and general merchants R&D of biotechnology products Manufacturing and trading of toothpaste, oral care and toiletries products	Director Director Director / CEO Director Director Director Director Director Director Director	24.07.2024/ - 01.02.2023/ - 01.01.2023/ - 19.04.2022/ - 31.12.2020/ - 31.12.2020/ - 17.02.2020/ - 24.10.2019/ - 04.10.2017/ -	- - - - - - - - - - -

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

Director	Company/Business	Principal Activities	Position	Date of Appointment/Resignation	% Equity Interest as at LPD
	<u>Past Involvement</u> 1. GMMI Sdn Bhd	R&D, manufacturing, sales and marketing and trading of medical related products	Director	28.06.2012/ 31.03.2024	-
	2. Globetronics Technology Berhad	A public company listed on Main Market of Bursa Securities with subsidiaries principally engaged in assembly and testing of integrated circuits, optoelectronic products and technical plating services, manufacturing of small outline components, light emitting diode components and modules, and technical plating services for the semiconductor industry, development and assembly of sensors and optical products for smart mobile and wearable applications, trading of electronics/semiconductor components and provision of computer hardware and software, system solutions and consultations	Independent non-executive director	07.05.2021/ 21.02.2024	-
	3. Malaysian Phosphate Additives Sdn Bhd	Manufacturing of feed and fertiliser phosphate products and trading of sulphuric acid	Director	28.06.2012/ 23.10.2023	-
	4. Malaysian Phosphate Venture Sdn Bhd	Investment holding company of Malaysian Phosphate Additives Sdn Bhd	Director	10.06.2019/ 23.10.2023	-
	5. MCOM Holdings Berhad	A public listed investment holding company listed on LEAP Market of Bursa Securities with subsidiaries principally engaged in provision of mobile advertising platform services, mobile payment solution services and management services	Independent non-executive director	03.09.2019/ 12.05.2022	-
	6. MGV Industries Sdn Bhd	Manufacturers and distributor of carbonated, sparkling fruit and nutritional drinks	Director	27.05.2013/ 20.03.2020	-

As at the LPD, the directorship 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 of Bursa Securities.

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

Our Directors' current principal directorships and principal business activities performed outside our Group will not give rise to a conflict of interest with our Group in view that none of those companies in which they have involvements carry on similar trade or manufacture similar products as our Group, or are the customers or suppliers of our Group.

Our Executive Directors believe that their involvements in other business activities outside our Group are minimal as they are not involved in the day-to-day operations and management of the said companies.

In addition, the involvements of our Non-Executive Directors in those business activities as stated above will not affect their contributions to nor abilities/commitments to carry out their respective roles with our Group as they are not involved in the day-to-day operations and active management of the said companies other than attendance at board meetings and/or taking an oversight role.

5.2.4 Remuneration of Directors

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

Directors	Actual FYE 2023 (RM'000)				
	Salary	Directors' fee	Benefits-in-kind	⁽¹⁾ Other emoluments	Total
Dato' Boonler Somchit	-	30	-	3	33
Koh Dim Kuan	270	-	-	33	303
Lee Chee Hoo	270	-	-	33	303
Ahmad Khairuddin Bin Abdul Rahim	-	-	-	-	-
Hanita Binti Othman	-	-	-	-	-
Joyce Wong Ai May	-	-	-	-	-
Teresa Tan Siew Kuan	-	-	-	-	-
Mohammad Hazani Bin Hassan	-	30	-	3	33

Directors	⁽²⁾ Proposed for FYE 2024 (RM'000)				
	Salary	Directors' fee	Benefits-in-kind	⁽¹⁾ Other emoluments	Total
Dato' Boonler Somchit	-	60	-	-	60
Koh Dim Kuan	318	-	-	40	358
Lee Chee Hoo	282	-	-	35	317
Ahmad Khairuddin Bin Abdul Rahim	-	36	-	-	36
Hanita Binti Othman	-	36	-	-	36
Joyce Wong Ai May	-	41	-	-	41
Teresa Tan Siew Kuan	-	36	-	-	36
Mohammad Hazani Bin Hassan	-	35	-	-	35

Notes:-

- (1) Comprising bonus, allowance and contributions to the Employees Provident Fund Board, Social Security Organisation and Employment Insurance System, where applicable.
- (2) The bonuses to our Executive Directors for FYE 2024, if any, will be determined at a later date based on the Group's financial performance for the FYE 2024 and their respective performances, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

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

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. The Directors' fees and any benefits payable to our Directors shall be further subject to approval by our shareholders at a general meeting.

5.3 BOARD PRACTICES

5.3.1 Directors' Terms of Office

As at the LPD, the details of the date of expiration of the current term of office for each and every Director of our Company and the period for which our Directors have served in that office are as follows:-

Director	Designation	Date of Appointment as Director	Date of Expiration of the Current Term of Office	No. of Years and Months in Office as at LPD
Dato' Boonler Somchit	Non-Independent Non-Executive Chairman	20 March 2024	Shall retire at the AGM to be held in 2025	Less than 1 year
Koh Dim Kuan	Executive Director/CEO	8 February 2024	Shall retire at the AGM to be held in 2025	Less than 1 year
Lee Chee Hoo	Executive Director/CDO	8 February 2024	Shall retire at the AGM to be held in 2025	Less than 1 year
Ahmad Khairuddin Bin Abdul Rahim	Independent Non-Executive Director	20 March 2024	Shall retire at the AGM to be held in 2026	Less than 1 year
Hanita Binti Othman	Independent Non-Executive Director	20 March 2024	Shall retire at the AGM to be held in 2026	Less than 1 year
Joyce Wong Ai May	Independent Non-Executive Director	20 March 2024	Shall retire at the AGM to be held in 2027	Less than 1 year
Teresa Tan Siew Kuan	Independent Non-Executive Director	20 March 2024	Shall retire at the AGM to be held in 2027	Less than 1 year
Mohammad Hazani Bin Hassan	Non-Independent Non-Executive Director	20 March 2024	Shall retire at the AGM to be held in 2026	Less than 1 year

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

5.3.2 Audit and Risk Management Committee

The main functions of our Audit and Risk Management Committee include, amongst others, the following:-

- (a) to review the external auditors to ensure its independence and to set up policies and procedures to ensure quality and reliability of audited financial statements;
- (b) to review the quarterly and annual financial statements to ensure compliance with the accounting standards and legal requirements;
- (c) to review audit report quarterly to ensure any related party transactions, if any, are conducted at arm's length and to inform the Board of any major findings and to review any conflict of interest situation that arose and action taken to resolve and mitigate such conflict;
- (d) to review the internal audit function in relation to its scope, competency, resources, internal audit program, members' performance, major findings of internal investigations, whistleblowing reports including to perform oversight function over the whistleblowing policy and management's response;
- (e) to review the internal audit report and approves the annual audit and training plan, methodologies and scope;
- (f) to recommend the risk management policies and procedures and to review its systems, internal control and governance processes and recommend changes as required which addresses the strategic, operational, financial and compliance risks;
- (g) to implement and monitor the risk management framework;
- (h) to review and verify at the end of each financial year the LTIP allocation in compliance with the criteria as stipulated in the by-law of the employees' share scheme of the Group, if any;
- (i) to review the Group's risk profile, report to the Board on the Group's risk exposures and to evaluate measures to mitigate business risks;
- (j) to set reporting guidelines on the management of business risks;
- (k) to evaluate the quality of audit conducted by internal and external auditors and provide assurance that the financial information presented by management is relevant and reliable; and
- (l) to observe a proper code of conduct and determine adequacy of the Group's control environment;

The members of our Audit and Risk Management Committee are as follows:-

Name	Designation	Directorship
Joyce Wong Ai May	Chairwoman	Independent Non-Executive Director
Hanita Binti Othman	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

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

5.3.3 Remuneration Committee

The main functions of our Remuneration Committee include, amongst others, the following:-

- (a) to recommend a framework of remuneration for all Directors and key senior management covering all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (b) to review and recommend the remuneration package of our Executive Directors and if applicable, senior management, which align with the Group's business strategy, long-term objectives, operating results and comparable remuneration statistics in the market;
- (c) to review annually the performance of the Directors and recommend to the Board specific adjustments in remuneration and/or reward payments;
- (d) to formulate policies, guidelines and set criteria for a fair and appropriate remuneration packages for the Directors according to the general market sentiments or conditions and are in compliance with the regulatory requirements;
- (e) to review and recommend the compensation payable to the Directors in connection with any loss or termination of their office are in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Group; and
- (f) to ensure corporate accountability and governance in respect of the Board remuneration and compensation function.

The members of our Remuneration Committee are as follows:-

Name	Designation	Directorship
Ahmad Khairuddin Bin Abdul Rahim	Chairman	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director
Teresa Tan Siew Kuan	Member	Independent Non-Executive Director

5.3.4 Nomination Committee

The main functions of our Nomination Committee include, amongst others, the following:-

- (a) To determine the criteria for Board membership and appointment of senior management, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, diversity and time commitment to serve the Group;
- (b) To ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees including their competencies, expertise, experience, potential conflict of interests, commitment, contribution and performance;
- (c) To evaluate the effectiveness of the Board and the relevant Board committees and to oversee their appointment, management succession planning and performance evaluation;
- (d) To ensure an appropriate framework and succession planning for the Board;

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

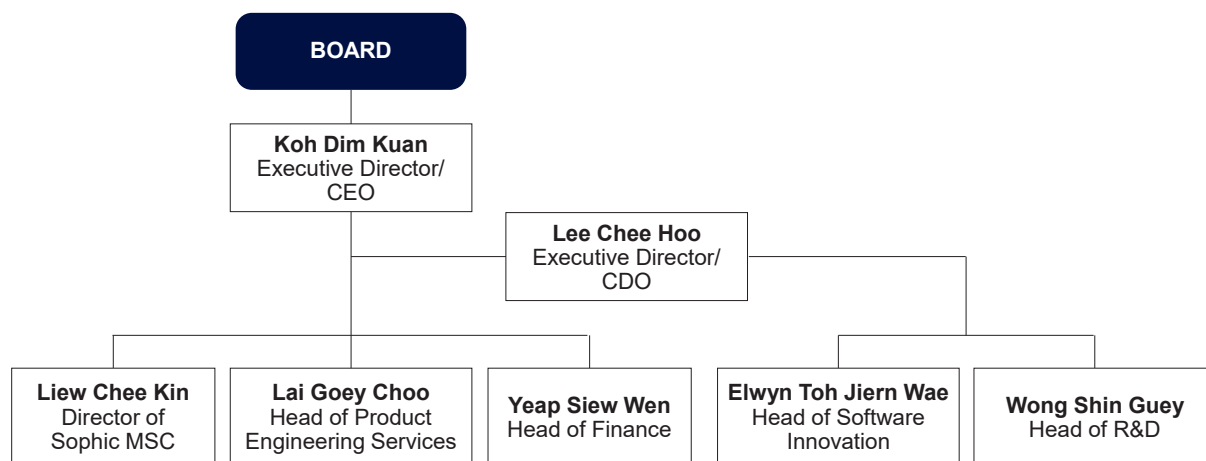
- (e) To evaluate annually, the overall composition of the Board and the balance amongst the executive, non-executive and independent directors,
- (f) To annually assess the performance and effectiveness of the Board as a whole and the contribution of each Director to the performance of the Company;
- (g) To recommend and ensure that the Board receives appropriate continuous training to maintain adequate level of competency and to effectively discharge their roles as the Directors;
- (h) To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, diversity, balance and composition of the Board and Committees including the required core competencies, mix of skills and experience; and
- (i) To recommend to the Board the duties and responsibilities of the Directors, including membership and Chairpersonship of the Board Committees.

The members of our Nomination Committee are as follows:-

Name	Designation	Directorship
Teresa Tan Siew Kuan	Chairwoman	Independent Non-Executive Director
Hanita Binti Othman	Member	Independent Non-Executive Director
Joyce Wong Ai May	Member	Independent Non-Executive Director

5.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is set out below:-



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

5.5 KEY SENIOR MANAGEMENT

5.5.1 Shareholdings of Key Senior Management

The details of our key senior management and their respective shareholdings in our Company before and after the IPO are as follows:-

Key Senior Management	Designation	⁽¹⁾ Before the IPO				⁽²⁾ After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Liew Chee Kin	Director of Sophic MSC	14,000,000	2.59	-	-	14,000,000	2.15	-	-
Elwyn Toh Jiern Wae	Head of Software Innovation	-	-	-	-	500,000	0.08	-	-
Lai Goey Choo	Head of Product Engineering Services	-	-	-	-	1,300,000	0.20	-	-
Wong Shin Guey	Head of R&D	-	-	-	-	1,500,000	0.23	-	-
Yeap Siew Wen	Head of Finance	-	-	-	-	1,000,000	0.15	-	-

Notes:-

- (1) Based on our issued share capital of 540,000,000 Shares before the IPO.
- (2) Based on our enlarged issued share capital of 650,000,000 Shares after the IPO and assuming the eligible key senior management fully subscribe for their respective entitlements under the Pink Form Allocation, where applicable.

5.5.2 Profiles of Key Senior Management

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

- (a) **Liew Chee Kin**, a Malaysian aged 41, is the Director of Sophic MSC. He graduated with a Diploma in Electronic Engineering (Computer) from Ungku Omar Polytechnic in 2003.

He started his career as a Mask Designer with Kelly Services (Malaysia) Sdn Bhd in December 2003, where he was assigned to an engineering support services project with Intel Microelectronics (M) Sdn Bhd to design and test ICs. In January 2005, he was absorbed as a full-time employee and was designated as an Engineer Technician, where he performed pre-silicon and post-silicon validation activities. He left Intel Microelectronics (M) Sdn Bhd in January 2006. In January 2006, he joined Vitrox Technologies Sdn Bhd as a Service Engineer, providing customer technical support services for the company's automated visual inspection equipment. In July 2007, he left to join Keyence (Malaysia) Sdn Bhd as Consulting Sales Engineer, where he proposed suitable solutions, undertook sales activities, performed installation and provided technical support services for the company's automated equipment to customers. He left the company in March 2009 and joined Autovation Sdn Bhd as Senior Sales and Application Engineer from April 2009 to January 2014. He was mainly responsible for identifying potential markets and industries to market the company's industrial automation product, supervised project status and progress,

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

proposed suitable solutions, and led a team in carrying out product demonstrations and providing technical support services. He joined our Group as a Technical Sales Manager in August 2014, where he was responsible for business development in the central region. In December 2019, he acquired an equity stake in Sophic MSC and assumed the Director role. He is responsible for the overall business operations and business development of Sophic MSC.

Please refer to Section 5.5.4 of this Prospectus for his past involvement in other company outside of our Group.

- (b) **Elwyn Toh Jiern Wae**, Malaysian aged 30, is our Head of Software Innovation. He graduated with a Bachelor of Engineering (Hons) in Electrical and Electronic Engineering from the University of Bradford, UK in 2017.

He started his career in January 2017 when he joined our Group as a Junior Programmer, assisting senior programmers in testing and customising software. He was promoted to Software Developer in March 2018, where he was responsible for developing software for our digitalised solutions and automated equipment. In March 2019, he assumed the position of Assistant Manager, where he was responsible for the execution of digitalised solution projects for the Group and led a team in carrying out software development for these projects. He was promoted to Software Innovation Manager in September 2020 and re-designated as Head of Software Innovation in June 2023. He is responsible for the overall development and customisation of software applications/platforms for use in the automated equipment and digitalised solutions of our Group.

He does not have any past or present involvement in other companies outside of our Group.

- (c) **Lai Goey Choo**, a Malaysian aged 52, is our Head of Product Engineering Services. She obtained a certificate in Electrical Engineering Technicians (Microprocessors) from City and Guilds of London Institute, UK in 1994 and a Diploma in Business Administration from KDU College, Penang in 1999. She also obtained the Executive Master of Preventive Health from Open University Malaysia in 2017.

She started her career as a Technician with Intel Microelectronics (M) Sdn Bhd in August 1990. She was promoted to Product Development Engineer in August 2000 and Component Design Engineer in August 2006. During her tenure with the company, she was involved in conducting validation and testing on ICs, generating product validation test plans and strategies, and validating and verifying semiconductor devices and components. In May 2014, she joined our Group as the Business Process Outsourcing Manager. She was mainly responsible for the product engineering service projects of the Group, which included managing customers and implementing strategies to enhance operational efficiency and productivity whilst ensuring the key performance indicators and objectives set out by our customers were met. She was re-designated to Head of Product Engineering Services in March 2022. Currently, she is mainly responsible for the product engineering services including managing contracts and relationships with the customers as well as overseeing the management and training project teams.

She does not have any past or present involvement in other companies outside of our Group.

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

- (d) **Wong Shin Guey**, a Malaysian aged 43, is our Head of R&D. He graduated from Universiti Teknologi Malaysia with a Bachelor of Engineering (Computer) (Hons) in 2005. He also obtained a Master of Engineering (Electrical - Computer and Microelectronic System) from Universiti Teknologi Malaysia in 2010.

He started his career in May 2005 as an Electrical Validation Content Engineer with Intel Technology Sdn Bhd and was promoted to Senior Electrical Validation Content Engineer in March 2011. He was in charge of defining software test frameworks for electrical validation and carrying out pre-silicon simulation activities. In September 2014, he resigned from Intel Technology Sdn Bhd and took a short career break. In April 2015, he joined our Group as an Industrial IoT Architect, where he was responsible for developing software for our digitalised solutions and automated equipment. He was re-designated as Head of R&D in June 2023. He is responsible for spearheading the R&D activities for automated digitalised solutions, software applications and platforms that can enhance our Group's operational processes.

He does not have any past or present involvement in other companies outside of our Group.

- (e) **Yeap Siew Wen**, a Malaysian aged 31, is our Head of Finance. She graduated from Universiti Tunku Abdul Rahman with a Bachelor of Commerce (Hons) in Accounting in 2015. She is a member of the MIA and a fellow of the ACCA.

She started her career in July 2016 as an Audit Associate with BDO PLT (previously known as BDO Malaysia). She was promoted to Audit Senior Associate in July 2017 and Assistant Manager, Audit in July 2019, before leaving the company in September 2021. She managed and supervised the external audits involving multinational, public and private companies from various industries including technology, healthcare, property development, industrial products and services. She was also involved in the audit and preparation of accountants' reports for companies seeking listing on Bursa Securities. She joined our Group as the Accounts and Finance Manager in September 2021 and was redesignated as the Corporate Development and Strategy Manager in October 2022. She was promoted to her current position in June 2023, where she is responsible for overseeing the overall finance and accounting functions and corporate development of the Group.

She does not have any past or present involvement in other companies outside of our Group.

5.5.3 Remuneration of Key Senior Management

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefit-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for the FYE 2023 and FYE 2024 (in the bands of RM50,000) are set out below:-

Key Senior Management	Remuneration Band (RM'000)	
	Actual for FYE 2023	Proposed for FYE 2024
Liew Chee Kin	300 – 350	300 – 350
Elwyn Toh Jiern Wae	150 – 200	150 – 200
Lai Goey Choo	250 – 300	250 – 300
Wong Shin Guey	300 – 350	300 – 350
Yeap Siew Wen	150 – 200	200 – 250

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

5.5.4 Involvement of our Key Senior Management in Other Businesses/Corporations Outside Our Group

Save as disclosed below, our key senior management do not have any other principal directorship held or principal business activities performed by them in other corporations outside our Group within the past 5 years up to the LPD:-

Key Senior Management	Business	Principal Activities	Position	Date of Appointment/Resignation	% Equity Interest as at LPD
Liew Chee Kin	Mittzutec Solution	Sales of electrical and electronic equipment <i>(Voluntary winding-up)</i>	Sole proprietor	24.03.2016/ 04.02.2022	-

5.6 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

There are no relations or associations between the Promoters, substantial shareholders, Directors and key senior management of our Group.

5.7 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, we had not entered into any service agreement with any of our Directors and/or key senior management.

5.8 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.8.1 Save as disclosed in Section 5.8.2 of this Prospectus, none of our Promoters, Directors and key senior management is or has been involved in any of the following, whether in or outside Malaysia:-

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

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

- (f) he/she was the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (g) in the last 10 years, he/she has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (h) whether there is any unsatisfied judgment against him/her.

5.8.2 Our Non-Independent Non-Executive Director, Mohammad Hazani Bin Hassan, being the nominee director of MTDC, was also a nominee director of MTDC in the following companies which were wound up by the creditors:-

- (a) Sea Pacific Paper Tech Sdn Bhd was wound up under winding-up petition no. 28NCC-8-02/2014 at Ipoh High Court by Taiko Marketing Sdn Bhd via court order dated 28 April 2014.
- (b) Recycle Energy Sdn Bhd was wound up under winding-up petition number no. 28NCC-773-09/2015 at Kuala Lumpur High Court by Tenaga Nasional Berhad via court order dated 26 November 2015.
- (c) Core Competencies Sdn Bhd was wound up under winding-up petition no. 28NCC-882-10/2015 at Kuala Lumpur High Court by Malayan Banking Berhad via court order dated 10 December 2015.

Mohammad Hazani Bin Hassan did not hold any executive position in the above companies.

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6. INFORMATION ON THE GROUP

6.1 GROUP OVERVIEW

6.1.1 Background and Incorporation

Our Company was incorporated in Malaysia under the Act on 5 April 2021 as a private limited company under the name of 3REN Sdn Bhd and subsequently converted into a public limited company and assumed its present name on 19 February 2024.

We are an investment holding company whilst our wholly-owned subsidiary companies are principally involved in the provision of automation solutions and engineering services. Please refer to Section 7 of this Prospectus for further details on our business and operations.

6.1.2 History and Business

Our Group's history can be traced back to the incorporation of Sophic Automation by Yu Choon Lan and Chong Fong Feng ("**Investors**") in November 2007. In August 2008, Sophic Automation secured its first project to design and develop a digitalised solution, namely an operational efficiency solution which enables real-time machine performance monitoring, for a printing service provider. During that time, Sophic Automation operated out of a rented commercial lot in Sungai Tiram, Bayan Lepas, Penang. The Investors had since disposed of their entire shares in Sophic Automation to Lee Chee Hoo and 2 other individuals in December 2008. Lee Chee Hoo, our Promoter, Substantial Shareholder, Executive Director and CDO, joined Sophic Automation as its director in November 2008 and became one of its shareholders where he acquired 5,000 shares from the Investors in December 2008. Thereafter, the remaining shares held by the 2 individuals in Sophic Automation were eventually disposed of to Lee Chee Hoo in April 2011 and December 2013.

As business grew, we began to hire more employees and its headcount grew from 7 in 2008 to 13 in 2011. We thus acquired a commercial lot next to the rented commercial lot in Sungai Tiram, Bayan Lepas, Penang with a built-up area measuring approximately 1,614 sq ft, and relocated our headquarters in 2011. In June 2011, Koh Dim Kuan, our Promoter, Substantial Shareholder, Executive Director and CEO, joined Sophic Automation as its director and became one of its shareholders in the same month.

Sophic MSC was then incorporated by both our Promoters in November 2011 to initially undertake information system engineering and solution development activities before it became a subsidiary of Sophic Automation in May 2014. The company is currently involved in the provision of automation solutions.

In April 2012, we secured our first product engineering service project (post-silicon validation) from Intel group of companies. The project entailed providing electrical validation for ICs for microprocessors to ensure that it meets the design requirements.

We also began to design, develop and sell automated equipment when we secured our first project in November 2013. The project entailed the design development and sale of an automated handler and visual inspection equipment to Intel group of companies.

To cater for further expansion, we relocated our headquarters to a rented office unit located at PSDC, Penang with built-up area measuring approximately 1,765 sq ft in November 2013. We later set up a design and assembly workshop in an adjoining rented office unit in PSDC, Penang with a built-up area measuring approximately 758 sq ft in June 2014. Meanwhile, our existing office in Sungai Tiram, Bayan Lepas, Penang, was converted into another design and assembly workshop.

In 2015, as part of our expansion plan to grow our business beyond Penang, we decided to set up an office at Bukit Jalil, Kuala Lumpur to increase our market presence in the Klang Valley region. Our total headcount grew from 13 staff in 2011 to 67 staff in 2015.

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

Sophic Automation subsequently obtained the ISO 9001:2015 in November 2016, which is an independent certification for quality standard compliance. Its ability to obtain this certification highlights our capabilities to meet local and international standards and regulations in the design, development and sale of digitalised solutions and automated equipment.

We also began to offer engineering support services for IC assembly and testing when we secured our first project from Intel group of companies in January 2018 which involved the project management and execution of test operations for microchips.

In line with the growth of our business, we relocated to our Bukit Minyak Plant in March 2020. Accordingly, our headcount expanded from 67 staff in 2015 to 642 staff in 2020.

In January 2021, Sophic Automation was also granted the Pioneer Status, thus enabling us to be granted a 100% tax exemption for the next 10 years for some of our automated equipment, namely, automated visual inspection, material management and automated test and handler equipment as well as our digitalised solution (command and control centre). The Pioneer Status also grants Sophic Automation a tax exemption of up to 70% for the next 5 years for another of its digitalised solutions, namely, the workforce efficiency solution.

In February 2022, Sophic Automation acquired 60% of equity interest in Pinkypye and subsequently acquired the remaining 40% equity interest in December 2022. Pinkypye is principally involved in precision machining and engineering, which is complementary activity to our automated equipment. This allows us to have better control over the cost, quality and supply of these components and shortens the lead time for the delivery of our automated equipment. This activity is carried out at our Tangkas 3 Plant which we acquired in the same year.

In January 2023, we moved our headquarters to Tangkas 9 Plant which is also used as one of our production facilities as well as intended to house our future innovation lab. In March 2023, we set up an office for our product engineering services at the Setia Spice Office. In November 2023, we ceased operations at both of our rented premises at PSDC as well as our Sungai Tiram office.

Over the years, we have successfully grown and evolved into an established automation solutions and engineering services provider in Malaysia. To facilitate our growth, we have grown from 7 employees when we commenced our business in 2008 to 1,421 employees as at the LPD (including 1,064 contract-based workers). For the Financial Periods Under Review, we have customers not only based in Malaysia but also globally such as in Singapore, USA, Vietnam, Mexico, China, Philippines, Thailand, Costa Rica, Taiwan, Canada and India.

As a testament to our reputation as an established automation solutions and engineering services provider in Malaysia, we have been awarded by our customers, suppliers and government bodies over the years such as Gold partner from Intel Corporation in 2023 and Rising Digital Leader Award from PIKOM in 2021. In 2022 and 2023, we were ranked as one of the Asia Pacific High-Growth Companies amongst 500 companies in Asia Pacific by the Financial Times.

In June 2022, Sophic Automation has also been recognised by Western Digital in the CEO Magazine (June 2022) as one of the solution providers that contributed to its factory at Batu Kawan, Penang, being named as Asia's first Sustainability Lighthouse by the World Economic Forum in November 2021. This accolade recognises Western Digital's adoption of the lights-out manufacturing model in its Penang factory. We designed, developed and sold several digitalised solutions and automated equipment to Western Digital.

6. INFORMATION ON THE GROUP (cont'd)

The following are the key events in our Group's history and business development:-

Year	Key Events and Milestone
2007	<ul style="list-style-type: none"> Sophic Automation was incorporated.
2008	<ul style="list-style-type: none"> Lee Chee Hoo, our Executive Director/CDO became a shareholder and director of Sophic Automation. Sophic Automation secured first project to design and develop a digitalised solution, namely an operational efficiency solution, for a printing service provider.
2011	<ul style="list-style-type: none"> Koh Dim Kuan, our Executive Director/CEO joined Sophic Automation as its Business Development and Chief Operating Officer. We acquired a premise in Sungai Tiram, Bayan Lepas, Penang to relocate our operations, in order to facilitate our expansion. Sophic MSC was incorporated and subsequently awarded with MSC Malaysia status.
2012	<ul style="list-style-type: none"> Sophic MSC was granted the Pioneer Status by MIDA. Sophic Automation secured its first product engineering service project (post-silicon validation) from Intel group of companies.
2013	<ul style="list-style-type: none"> Sophic Automation developed and sold its first automated equipment (automated handler and visual inspection equipment) to Intel group of companies. We relocated our headquarters to a rented premises in PSDC.
2014	<ul style="list-style-type: none"> Our existing premises in Sungai Tiram, Bayan Lepas, Penang was converted into a design and assembly workshop.
2015	<ul style="list-style-type: none"> Sophic MSC set up an office in Bukit Jalil, Kuala Lumpur.
2016	<ul style="list-style-type: none"> Sophic Automation obtained the ISO 9001:2015 certification.
2018	<ul style="list-style-type: none"> Sophic Automation began to offer engineering support services for IC assembly and testing to Intel group of companies.
2020	<ul style="list-style-type: none"> We relocated our assembly processes and headquarters to Bukit Minyak Plant.
2021	<ul style="list-style-type: none"> Sophic Automation was granted the Pioneer Status by MIDA. 3REN was set up to facilitate the Listing exercise.
2022	<ul style="list-style-type: none"> The acquisition of Pinkypye was completed, allowing us to vertically integrate our operations into precision machining including the fabrication of mechanical components for automated equipment. We set up a precision engineering facility and office in Tangkas 3 Plant.
2023	<ul style="list-style-type: none"> We relocated our headquarters to Tangkas 9 Plant. We set up an office in Setia Spice Office for our product engineering services and ceased operations at our rented premises in PSDC.
2024	<ul style="list-style-type: none"> Sophic Automation obtained ISO/IEC 27001:2022 certification. Sophic MSC set up an office at Stellar Suites Office and relocate from the office in Bukit Jalil. We completed the RCPS Conversion and the Acquisitions.

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6. INFORMATION ON THE GROUP (cont'd)**6.1.3 Principal Places of Business**

We currently operate from the our own and rented premises as follows:-

No.	Principal Places	Description and Existing Use	Built-up Area (sq ft)
1.	Tangkas 9 Plant	Corporate headquarters and production facility as well as for future innovation lab for Sophic Automation	11,981
2.	Tangkas 3 Plant	Engineering office for Sophic Automation and office cum precision engineering and assembly facility for Pinkypye	11,981
3.	Bukit Minyak Plant	Office, production facility, engineering office and warehouse for Sophic Automation	6,174
4.	Setia Spice Office	Office for product engineering services of Sophic Automation	4,808
5.	First Delivery Centre	Engineering lab for product engineering services for Sophic Automation	1,960
6.	Stellar Suites Office	Office for Sophic MSC	1,754

Further information on our material owned and rented properties are disclosed in Section 7.13 of this Prospectus.

6.1.4 Key Awards, Accreditation and Recognition

Over the years, we have won several awards and recognitions as summarised in the following table:-

Awards and Recognitions	Awarding Body	Year
2024 Inaugural Dun & Bradstreet Malaysia Business Eminence Awards	Dun & Bradstreet Malaysia	2024
Gold Partner	Intel Corporation	2023 and 2024
Asia Pacific High-Growth Companies	Financial Times	2022 and 2023
Best Employer	Employee's Provident Fund (Georgetown Branch, Penang)	2022
Rising Digital Leader Award	PIKOM	2021
Outstanding Investee Companies	Malaysia Venture Capital and Private Equity Association	2016, 2018, 2020 and 2021

6. INFORMATION ON THE GROUP (cont'd)

6.2 SHARE CAPITAL

Our share capital as at the LPD is RM2 comprising 2 Shares. The movements in our share capital since our incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Type	Consideration	Cumulative Share Capital RM
05.04.2021	2	Cash	Subscribers' shares	2
23.07.2024	489,999,998	Otherwise than cash	Issued pursuant to the Acquisition of Sophic Automation	49,000,002
30.07.2024	40,000,000	Otherwise than cash	Issued pursuant to the Acquisition of Sophic MSC	53,000,002
30.07.2024	10,000,000	Otherwise than cash	Issued pursuant to the Acquisition of Pinkypye	54,000,002

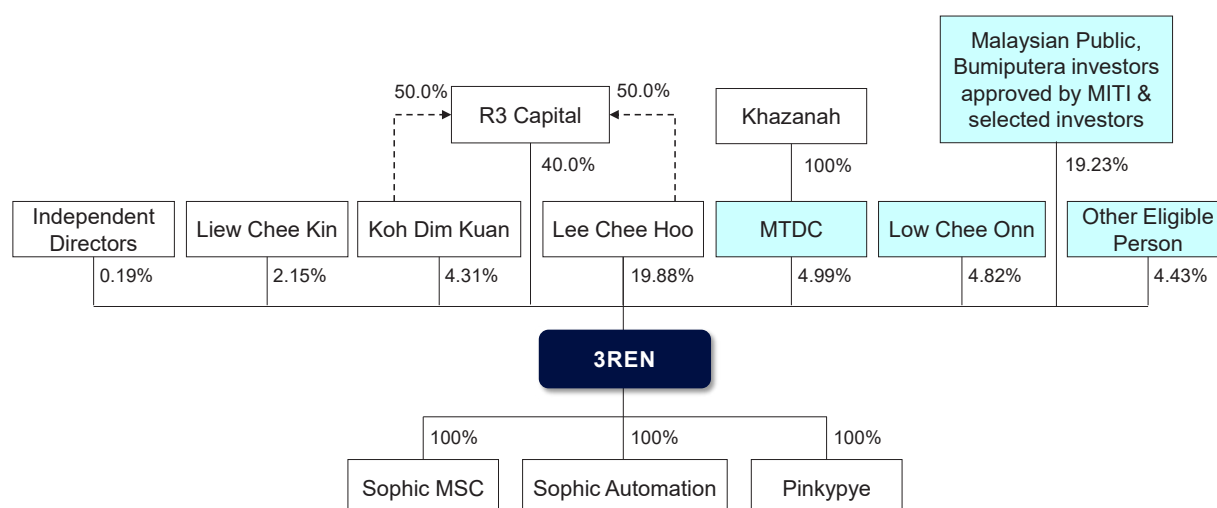
None of our Shares were issued at a discount, on special terms or based on instalment payment terms.

Upon completion of the IPO, our Company's existing issued share capital will increase from 2 Shares to 650,000,000 Shares.

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

6.3 CORPORATE STRUCTURE

Our Group's corporate structure after the IPO is set out below:-



Notes:-

* Based on our enlarged issued share capital of 650,000,000 after the IPO.

Represents public shareholdings in the Company after the IPO.

6. INFORMATION ON THE GROUP (cont'd)**6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES**

As at the LPD, our subsidiary companies are as follows:-

Company/ Registration No.	Date/ Country of Incorporation	Principal Place of Business	Effective Equity Interest (%)	Principal Activities
Sophic Automation/ (200701036965 (794994-D))	07.11.2007/ Malaysia	Malaysia	100.00	Provision of automation solutions and engineering services
Sophic MSC/ (201101041653 (969776-D))	29.11.2011/ Malaysia	Malaysia	100.00	Provision of automation solutions
Pinkypye/ (202101029664 (1429964-K))	13.09.2021/ Malaysia	Malaysia	100.00	Provision of precision machining and related services

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

6.5 LISTING SCHEME

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market, our Company undertook a Listing Scheme which involved the following:-

6.5.1 RCPS Conversion

Pursuant to the Listing, MTDC had on 5 July 2024 converted its entire 8,800,000 RCPS held in Sophic Automation into 71,700 new Sophic Automation Shares.

The 8,800,000 RCPS comprises 2 tranches totalling RM8.80 million in combined investment by MTDC of which 2,700,000 RCPS (being the first tranche) and 6,100,000 RCPS (being the second tranche) were issued and allotted in September 2017 and June 2021 respectively pursuant to the investment agreements between Sophic Automation and MTDC.

The new Sophic Automation Shares issued pursuant to the RCPS Conversion rank equally in all respect with the existing ordinary Sophic Automation Shares except that the new Sophic Automation Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment of such new ordinary shares.

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6. INFORMATION ON THE GROUP (cont'd)**6.5.2 Acquisitions****(a) Acquisition of Sophic Automation**

On 20 March 2024, our Company entered into a conditional share sale agreement with the vendors of Sophic Automation to acquire the entire 100% issued share capital of Sophic Automation comprising 571,700 Sophic Automation Shares (after the RCPS Conversion) for a purchase consideration of approximately RM49.0 million, which was fully satisfied via the issuance of 489,999,998 new Shares at RM0.10 each to the vendors of Sophic Automation in the following manner:-

Vendors	No. of Shares in Sophic Automation	% of Issued Capital	Purchase Consideration (RM)	No. of New Shares Issued
Lee Chee Hoo	285,000	49.85	24,426,499.80	244,264,998
Koh Dim Kuan	175,000	30.61	14,998,900.00	149,989,000
MTDC	71,700	12.54	6,144,600.00	61,446,000
Low Chee Onn	40,000	7.00	3,430,000.00	34,300,000
Total	571,700	100.00	48,999,999.80	489,999,998

The purchase consideration of approximately RM49.0 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Sophic Automation as at 30 September 2023 of approximately RM54.08 million, and after adjusting for the RCPS Conversion and less interim dividends declared and paid of RM5.0 million.

The new Shares issued pursuant to the Acquisition of Sophic Automation shall, upon allotment and issue, rank equally in all respects with our existing issued Shares, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment and issuance of the new Shares.

The Acquisition of Sophic Automation was completed on 23 July 2024.

(b) Acquisition of Sophic MSC

On 20 March 2024, our Company entered into a conditional share sale agreement with Sophic Automation and Liew Chee Kin to acquire the entire 100% issued share capital of Sophic MSC comprising 100,000 ordinary shares for a purchase consideration of RM4.0 million, which was fully satisfied via the issuance of 40,000,000 new Shares at RM0.10 each to the vendors of Sophic MSC in the following manner:-

Vendors	No. of Shares in Sophic MSC	% of Issued Capital	Purchase Consideration (RM)	No. of New Shares Issued
Sophic Automation	65,000	65.00	2,600,000	* 26,000,000
Liew Chee Kin	35,000	35.00	1,400,000	14,000,000
Total	100,000	100.00	4,000,000	40,000,000

6. INFORMATION ON THE GROUP (cont'd)

Note:-

- * Pursuant to the Acquisition of Sophic MSC, the 26,000,000 new Shares issued as consideration to Sophic Automation has been proportionately novated to its shareholders in the following manner:-

Shareholders of Sophic Automation	% of Equity Interest Held	Purchase Consideration (RM)	No. of New Shares Novated
Lee Chee Hoo	32.40	1,296,100	12,961,000
Koh Dim Kuan	19.90	795,900	7,959,000
MTDC	8.15	326,000	3,260,000
Low Chee Onn	4.55	182,000	1,820,000
Total	65.00	2,600,000	26,000,000

The purchase consideration of RM4.0 million was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the audited NA of Sophic MSC as at 30 September 2023 of RM3.98 million.

The new Shares issued pursuant to the Acquisition of Sophic MSC shall, upon allotment and issue, rank equally in all respects with our existing issued Shares, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment and issuance of the new Shares.

The Acquisition of Sophic MSC was completed on 30 July 2024.

(c) Acquisition of Pinkypye

On 20 March 2024, our Company entered into a conditional share sale agreement with Sophic Automation to acquire the entire 100% issued share capital of Pinkypye from Sophic Automation for a purchase consideration of RM1.0 million, which was fully satisfied via the issuance of 10,000,000 new Shares at an issue price of RM0.10 each to the vendor of Pinkypye in the following manner:-

Vendor	No. of Shares in Pinkypye	% of Issued Capital	Purchase Consideration (RM)	No. of New Shares Issued
Sophic Automation	25	100.00	1,000,000	* 10,000,000

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6. INFORMATION ON THE GROUP (cont'd)

Note:-

- * Pursuant to the Acquisition of Pinkypye, 10,000,000 new Shares issued as consideration to Sophic Automation has been proportionately novated to its shareholders in the following manner:-

Shareholders of Sophic Automation	% of Effective Equity Interest Held	Purchase Consideration (RM)	No. of New Shares Novated
Lee Chee Hoo	49.85	498,500	4,985,000
Koh Dim Kuan	30.61	306,100	3,061,000
MTDC	12.54	125,400	1,254,000
Low Chee Onn	7.00	70,000	700,000
Total	100.00	1,000,000	10,000,000

The purchase consideration of RM1.0 million was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Pinkypye as at 30 September 2023 of RM1.02 million.

The new Shares issued pursuant to the Acquisition of Pinkypye shall, upon allotment and issue, rank equally in all respects with our existing issued Shares, except that the new Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment and issuance of the new Shares.

The Acquisition of Pinkypye was completed on 30 July 2024.

Following the completion of the Acquisitions, the 2 existing subscribers' Shares in the Company were transferred to Lee Chee Hoo on 6 August 2024.

6.5.3 Share Transfer

During the prescription period (i.e. 1 day after the issuance of the Prospectus up to a period of 30 days), the Specified Shareholders will transfer their respective shareholdings amounting to 260,000,000 Shares, in aggregate, or 40.0% equity interest in 3REN, to R3 Capital in conjunction with the IPO.

Details of the Share Transfer are set out below:-

Specified Shareholders	No. of Shares Held Before the Share Transfer	* %	No. of Shares to be Transferred to R3 Capital	* %	No. of Shares Held After the Share Transfer	* %
Koh Dim Kuan	158,009,000	24.31	130,000,000	20.00	28,009,000	4.31
Lee Chee Hoo	259,211,000	39.88	130,000,000	20.00	129,211,000	19.88

Note:-

- * Based on the enlarged issued share capital of 650,000,000 Shares after the IPO.

The Share Transfer is based on the mutual agreement between the shareholders of R3 Capital and does not involve any issuance of new Shares. Upon Listing, R3 Capital will hold in aggregate 40.0% of the enlarged issued share capital of 3REN.

6. INFORMATION ON THE GROUP (cont'd)**6.5.4 IPO**

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

6.5.5 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 650,000,000 Shares shall be listed and quoted on the ACE Market.

6.6 MATERIAL INVESTMENTS AND DIVESTITURES**6.6.1 Material Investments**

Save as disclosed below, we do not have any other material investments (including interests in other corporations) for the Financial Periods Under Review and up to the LPD:-

	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FPE 2024 (RM'000)	1.7.2024 up to LPD (RM'000)
Property, plant and equipment:						
- Land and buildings	-	5,217	1,601	28	-	-
- Machinery	-	-	1,975	31	-	-
- Office equipment, computers, furniture and fittings	452	443	605	673	34	13
- Renovation	171	59	262	411	128	-
- Motor vehicles	99	503	496	115	8	-
- Capital work-in-progress	-	44	5,015	222	-	-
Right-of-use assets	-	76	666	-	319	-
Interests in other corporations	-	458	428	27	-	-
Total	722	6,800	11,048	1,507	489	13

The above material investments were located within Malaysia and were primarily financed by a combination of bank borrowings and our internally generated funds.

- (a) For FYE 2020, our material investments of RM0.72 million mainly comprised the following:-
- RM0.45 million for the purchase of new computers, furniture and office equipment;
 - RM0.17 million for the renovation cost of Bukit Minyak Plant; and
 - RM0.10 million for the purchase of motor vehicles.
- (b) For FYE 2021, our material investments of RM6.80 million mainly comprised the following:-
- RM5.22 million for the acquisition of Tangkas 9 Plant;
 - RM0.50 million for the purchase of motor vehicle;
 - RM0.44 million for the purchase of office equipment, computers, and furniture and fittings; and

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

- RM0.46 million being the cost of additional investments in certain former subsidiaries.
- (c) For FYE 2022, our material investments of RM11.05 million mainly comprised the following:-
- RM1.60 million being the capitalisation of land cost from the acquisition of Tangkas 3 Plant;
 - RM1.97 million for the purchase of CNC milling machines and the capitalisation of internally developed automated mobile robots;
 - RM0.61 million for the purchase of office equipment, computers, and furniture and fittings;
 - RM0.50 million for the purchase of motor vehicles;
 - RM5.02 million for the additions in capital work-in-progress comprised the building cost and capitalised expenses for Tangkas 3 Plant (RM2.19 million), renovation cost (RM1.75 million) and acquisition of Stellar Suites Office (RM1.08 million);
 - RM0.67 million for the addition in right-of-use assets particularly for the rental of office premises; and
 - RM0.43 million being the cost of additional investments in certain former subsidiaries.
- (d) For FYE 2023, our material investments of RM1.51 million mainly comprised the following:-
- RM0.67 million for the purchase of office equipment, computers, furniture and fittings;
 - RM0.41 million for renovation of office premises;
 - RM0.12 million for the purchase of a motor vehicle; and
 - RM0.22 million for the additions in capital work-in-progress in relation to renovation of office premises.
- (e) For FPE 2024, our material investments of RM0.49 million mainly comprised the following:-
- RM0.13 million for renovation of office premises; and
 - RM0.32 million for the addition in right-of-use assets particularly for the rental of our First Delivery Centre.
- (f) From 1 July 2024 up to the LPD, our material investments of RM0.01 million mainly comprised of the purchase of office equipment, computers, furniture and fittings.

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6. INFORMATION ON THE GROUP (cont'd)**6.6.2 Material Divestitures**

Save as disclosed below, we do not have any other material divestitures (including interests in other corporations) for the Financial Periods Under Review and up to the LPD:-

Divestitures	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FPE 2024 (RM'000)	1.7.2024 up to LPD (RM'000)
Property, plant and equipment:						
- Office equipment, computers, furniture and fittings	-	26	-	*	-	-
- Renovation	-	167	-	-	-	-
- Motor vehicle	-	-	69	-	-	-
Interests in other corporations **	-	829	-	1,917	-	-
Total	-	1,022	69	1,917	-	-

Notes:-

* Represents RM1.00.

** Represents the disposal value which is equivalent to its carrying amount as at disposal date since the investments are carried at fair value through profit or loss.

For the FYE 2021, our material divestitures of RM1.02 million were mainly from the disposals of certain former subsidiaries and renovation work written off for our Bukit Minyak Plant.

For FYE 2022, our material divestitures of RM0.07 million were mainly from the disposal of motor vehicles.

For FYE 2023, our material divestitures of RM1.92 million were mainly from the disposals of certain former subsidiary and associated companies.

For FPE 2024 and from 1 July 2024 up to the LPD, our Group does not have any material divestitures.

6.7 PUBLIC TAKE-OVERS

None of the following has occurred since our incorporation on 5 April 2021 up to the LPD:-

- (a) public take-over offers by third parties in respect of our Shares; and
- (b) public take-over offers by our Company in respect of other companies' shares.

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