

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF CAPE EMS BERHAD (FORMERLY KNOWN AS CAPE EMS MANUFACTURING (M) BERHAD) (“CAPE EMS” OR THE “COMPANY”) DATED 16 FEBRUARY 2023 (“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, Hong Leong Investment Bank Berhad or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. Bursa Securities, the Company, Directors, Promoters, Principal Adviser, Joint Bookrunners and Joint Underwriters 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 16 February 2023** and will close at **5.00 p.m. on 24 February 2023**. Any change to the timetable will be advertised by Cape EMS in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

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.

PROSPECTUS



CAPE EMS BERHAD
 (formerly known as Cape EMS Manufacturing (M) Berhad)
 (Registration No. 199901026859 (501759-M))
 (Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“**IPO**”) OF 259,700,000 ORDINARY SHARES IN CAPE EMS BERHAD (“**CAPE EMS**”) (“**IPO SHARES**”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARES IN CAPE EMS (“**SHARES**”) ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING A PUBLIC ISSUE OF 173,000,000 NEW SHARES AND AN OFFER FOR SALE OF 86,700,000 EXISTING SHARES INVOLVING:

- (i) INSTITUTIONAL OFFERING OF 205,500,000 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“**INSTITUTIONAL PRICE**”); AND
- (ii) RETAIL OFFERING OF 54,200,000 IPO SHARES TO THE MALAYSIAN PUBLIC, THE DIRECTORS, ELIGIBLE EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF CAPE EMS AND ITS SUBSIDIARIES, AT THE RETAIL PRICE OF RM0.90 PER IPO SHARE (“**RETAIL PRICE**”), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (i) THE RETAIL PRICE OF RM0.90 PER IPO SHARE; OR
- (ii) THE INSTITUTIONAL PRICE

Principal Adviser, Joint Bookrunner and Joint Underwriter



Hong Leong Investment Bank Berhad
 (Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
 (A Trading Participant of Bursa Malaysia Derivatives Berhad)

Joint Bookrunner and Joint Underwriter



AmInvestment Bank

AMINVESTMENT BANK BERHAD
 (Registration No. 197501002220 (23742-V))
 (A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA (“**SC**”) HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007. THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF CAPE EMS 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.

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 215.

THIS PROSPECTUS IS DATED 16 FEBRUARY 2023



www.cape-group.com.my



PROSPECTUS



CAPE EMS BERHAD
 (formerly known as Cape EMS Manufacturing (M) Bhd)
 Reg No.: 199901026859 (501759-M)

PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III
 81400 Senai, Johor Darul Ta'zim, Malaysia

T (07) 213 3333 E admin@cape-group.com.my

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions" and "Glossary of Technical Terms" commencing on pages vii, ix and xvi of this Prospectus respectively.

RESPONSIBILITY STATEMENTS

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

HLIB, being our Principal Adviser, Joint Bookrunner and Joint Underwriter in relation to our IPO, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of AmInvestment Bank in our IPO is limited to being a Joint Bookrunner for the Institutional Offering and Joint Underwriter for the Retail Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

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

OTHER STATEMENTS

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

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

Investors should note that any agreement by the Joint Underwriters named in this Prospectus to underwrite our Shares is not to be taken as an indication of the merits of our Shares being offered.

This Prospectus has been prepared and published solely for our IPO under the laws of Malaysia. This Prospectus does not comply with the laws of jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority of any jurisdiction other than Malaysia.

Our Shares being offered in our IPO are offered solely based on the contents of this Prospectus. Our Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Joint Bookrunners and Joint Underwriters take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Company, Directors, Promoters, Selling Shareholders, Principal Adviser, Joint Bookrunners and Joint Underwriters have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any such country or jurisdiction.

Further, 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 subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion, to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to this Prospectus registered by the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, for fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and
- (iii) the Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

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

Event	Time and/or Date
Opening of the Institutional Offering	16 February 2023
Issuance of this Prospectus/ Opening of the Retail Offering	10.00 a.m., 16 February 2023
Closing of the Retail Offering	5.00 p.m., 24 February 2023
Closing of Institutional Offering	27 February 2023
Price Determination Date	27 February 2023
Balloting of Applications for our IPO Shares under the Retail Offering	1 March 2023
Allotment/ Transfer of our IPO Shares to successful Applicants	8 March 2023
Listing	10 March 2023

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to the “**Company**” or “**Cape EMS**” in this Prospectus are to Cape EMS Berhad. All references to the “**Group**” are to our Company and our Subsidiaries taken as a whole. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company or our Group or any member of our Group, as the context requires.

Unless the context otherwise requires, references to “**Management**” are to our Directors and our Key Senior Management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

In this Prospectus, references to the “**Government**” are to the Government of Malaysia; and references to “**RM**” and “**sen**” are to the lawful currency of Malaysia. The word “**approximately**” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or 1 decimal place. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

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

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

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

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

In particular, certain information in this Prospectus is extracted or derived from the Independent Assessment of the Electronics Manufacturing Services Industry of Malaysia prepared by Vital Factor Consulting Sdn Bhd (“**Vital Factor**”), an independent business and market research consulting company. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

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

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 be materially different from future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

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

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

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

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in **Section 9** – Risk Factors and **Section 12.3** – 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.

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

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP

Cape EMS or the Company	: Cape EMS Berhad (<i>formerly known as Cape EMS Manufacturing (M) Berhad</i>) (199901026859 (501759-M))
Cape Group or the Group	: Collectively, Cape EMS and its Subsidiaries
Cape Manufacturing	: Cape Manufacturing (M) Sdn Bhd (201001010428 (895065-A))
Cape Singapore	: Cape Holdings (S) Pte Ltd (200509673M)

GENERAL

Act	: Companies Act 2016
AGM	: Annual General Meeting
Airspan Communications	: Airspan Communications Limited (03501881)
Airspan group of companies	: Collectively, Airspan Communications and Mimosa Networks
AmInvestment Bank	: AmInvestment Bank Berhad (197501002220 (23742-V))
AOF	: Advance Opportunities Fund (CT-168559)
Applicants	: Applicants for the subscription of our IPO Shares by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application
Application(s)	: The application(s) for the IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	: The printed application forms for the application of the IPO Shares accompanying this Prospectus
ATM	: Automated Teller Machine
BBPOS	: BBPOS International Limited (1738018)
BM Nagano	: B.M. Nagano Industries Sdn Bhd (199501019760 (348963-M))
Board	: Board of Directors of our Company
Bumiputera	: In the context of: <ul style="list-style-type: none"> (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI: <ul style="list-style-type: none"> (a) registered under the Act as a private company; (b) its shareholders are 100.0% Bumiputera; and

DEFINITIONS (Cont'd)

	(c)	its board of directors (including its staff) are at least 51.0% Bumiputera; and
	(iii)	cooperatives, a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CAGR	:	Compound annual growth rate
Camwell	:	Camwell Sdn Bhd (199301026732 (281470-V))
CCC or CF	:	Certificate of completion and compliance or Certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under the Street, Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
Changhuat Plastic	:	Changhuat Plastic Industries (Senai) Sdn Bhd (198801001906 (169263-W))
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	The constitution of our Company
Conversion of ICPS	:	Conversion of all ICPS by Fortress and AOF into new Shares which had involved the conversion of 60,000,000 ICPS to 10,000,000 Shares on 20 April 2022
COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and within the meaning given in Section 2 of the CMSA
E&E	:	Electrical & electronics
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the IPO Shares through Participating Financial Institutions' ATM

DEFINITIONS (Cont'd)

Eligible Persons	:	Eligible Directors, employees, customers and suppliers who have contributed to the success of our Group, as further detailed in Section 4.2.2 of this Prospectus
EPF	:	Employees' Provident Fund Board
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC
ESG	:	Environmental, social and governance
Excess Share(s)	:	IPO Share(s) not taken up by the Eligible Persons under the Pink Form Allocation, which will be subject to clawback and reallocation provisions as detailed in Section 4.2.3 of this Prospectus
Final Retail Price	:	Final price per IPO Share to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
FMCO	:	Full Movement Control Order
Fortress	:	Fortress Capital Asset Management (M) Sdn Bhd (200201031372 (599035-W))
FPE(s)	:	Financial period(s) ended/ending 30 September, as the case may be
FYE(s)	:	Financial year(s) ended/ending 31 December, as the case may be
GP	:	Gross profit
HLIB or the Principal Adviser	:	Hong Leong Investment Bank Berhad (197001000928 (10209-W))
Huizhou Sanhua	:	Huizhou Sanhua Industrial Co., Ltd (441300400005784)
ICPS	:	Irredeemable convertible preference shares in our Company
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
Institutional Offering	:	Institutional offering of 205,500,000 IPO Shares comprising: <ul style="list-style-type: none"> (i) 115,500,000 IPO Shares made available to identified Bumiputera investors approved by MITI; and (ii) 90,000,000 IPO Shares made available to institutional and selected investors, at the Institutional Price, subject to the clawback and reallocation provisions as detailed in Section 4.2.3 of this Prospectus
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 15 of this Prospectus

DEFINITIONS (Cont'd)

Internet Share Application	: Application for the IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
IC	: Integrated circuit chip
IPO	: Initial public offering of our IPO Shares comprising the Public Issue and Offer for Sale, in conjunction with our Listing
IPO Share(s)	: Collectively, the Issue Share(s) and Offer Share(s)
Issue Share(s)	: New Share(s) to be issued by our Company under the Public Issue
Issuing House	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
IT	: Information technology
Jiangsu Midea	: Jiangsu Midea Cleaning Appliances Co Ltd (320000000010153)
Joint Bookrunners	: Collectively, HLIB and AmInvestment Bank
Joint Underwriters	: Collectively, HLIB and AmInvestment Bank
K & Q	: K&Q Pte Ltd (201900928Z)
Kempas 6 Factory	: A piece of freehold land held under Geran 74497, Lot 37585, Mukim of Tebrau, District of Johor Bahru, State of Johor together with a 1 ½ storey detached factory erected thereon with a postal address of No. 6, Jalan Belati, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor Darul Ta'zim
Key Senior Management	: The key senior management of our Company as set out in Section 5.3 of this Prospectus
Listing	: The admission of our Company to the Official List and the listing of and quotation for our entire enlarged Shares on the Main Market of Bursa Securities
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
Listing Scheme	: Collectively, the Public Issue, Offer for Sale and Listing
LPD	: 4 January 2023, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	: Any day(s) between Monday to Friday (both days inclusive) which (i) is not a public holiday, or (ii) is a surprise holiday, being a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the start of the calendar year, and on which Bursa Securities is open for trading of securities
MCCG	: Malaysian Code on Corporate Governance which came into effect on 28 April 2021
MCO	: The nationwide Movement Control Order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19

DEFINITIONS (Cont'd)

MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institute of Accountants
MIDA	:	Malaysian Investment Development Authority
Mimosa Networks	:	Mimosa Networks, Inc (0001607581)
MITI	:	Ministry of International Trade and Industry of Malaysia
MOF	:	Ministry of Finance Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
N/A	:	Not applicable
NA	:	Net assets attributable to owners of our Company
NBV	:	Net book value
New PLO 227B Factory	:	An industrial building to be built on PLO 227B
New Senai 226 Warehouse	:	A new warehouse to be built on PLO 226B
NRP	:	National Recovery Plan
NextCentury	:	NextCentury Submetering Systems, LLC (2013-000646698)
OFCL	:	Onshore foreign currency loan
Offer for Sale	:	Offer for sale of 86,700,000 IPO Shares by the Selling Shareholders to Bumiputera investors approved by MITI under the Institutional Offering
Offer Share(s)	:	Existing Share(s) to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application, as listed in Section 15 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Period Under Review	:	Collectively, FYE 2019, FYE 2020, FYE 2021 and FPE 2022
Pink Form Allocation	:	The allocation of 8,000,000 IPO Shares to the Eligible Persons pursuant to the Public Issue
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders, and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
PLO 103 Factory	:	A piece of leasehold land held under HS(D) 50668 PTD 8857, Mukim Senai, Daerah Kulai, Johor Darul Ta'zim
PLO 226B	:	A piece of leasehold land held under HS(D) 71181, PTD 112657, Mukim Senai, Daerah Kulai, Johor Darul Ta'zim

DEFINITIONS (Cont'd)

PLO 227B	:	A piece of leasehold land held under HS(D) 71069, PTD 87572, Mukim Senai, Daerah Kulai, Johor Darul Ta'zim
Pre-IPO Restructuring Exercise	:	Pre-IPO restructuring exercise involving the Conversion of ICPS, Share Split, and Shareholding Restructuring with Fortress and AOF
Price Determination Date	:	The date on which the Institutional Price and the Final Retail Price will be determined
Promoter(s)	:	Tee Kim Chin and Tee Kim Yok
Prospectus	:	This Prospectus dated 16 February 2023 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 173,000,000 IPO Shares comprising the Retail Offering and Institutional Offering
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Retail Offering	:	Retail offering of 54,200,000 new IPO Shares comprising: <ul style="list-style-type: none"> (i) 8,000,000 new IPO Shares made available for application by the Eligible Persons; and (ii) 46,200,000 new IPO Shares made available for application by the Malaysian Public, <p>at the Retail Price per IPO Share, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price in the event that the Final Retail Price is less than the Retail Price, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus</p>
Retail Price	:	Initial price of RM0.90 per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4 of this Prospectus
RMCD	:	Royal Malaysian Customs Department
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Senai 227 Factory	:	A piece of land held under HS(D) 71183, PTD 112659 and HS(D) 53987, PTD 87571, both in Mukim Senai, Daerah Kulai, Johor together with a 3-storey detached factory erected thereon with a postal address of PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor Darul Ta'zim
Selling Shareholder(s)	:	Tee Kim Chin and Tee Kim Yok
Share Split	:	Subdivision of every 1 Share into 15 Shares
Share(s)	:	Ordinary share(s) in Cape EMS
Shareholding Restructuring with Fortress and AOF	:	The transfer by Tee Kim Yok of 10,687,500 Shares (representing 1.4% of the issued capital of 750,000,000 Shares prior to our IPO) to Fortress and 562,500 Shares (representing 0.1% of the issued capital of 750,000,000 Shares prior to our IPO) to AOF

DEFINITIONS (Cont'd)

SICDA	: Securities Industry (Central Depositories) Act 1991
SOP	: Standard operating procedure
SOQ	: SOQ Sourcing, LLC (8459087-0160)
sq ft	: Square feet
sq m	: Square metres
Subsidiaries	: Collectively, Cape Manufacturing and Cape Singapore
Tastar Electronics	: Tastar Electronics Pte Ltd (201219876G)
Tebrau 6 Factory	: The lease over three pieces of land held under PTD 53893, PTD 53894 and PTD 53895, all in the Mukim of Tebrau, District of Johor Bahru, State of Johor together with a detached factory erected thereon with a postal address of No. 6, Jalan Firma 1/5, Kawasan Perindustrian Tebrau, 81100 Johor Bahru, Johor Darul Ta'zim
Temenggong 22 Factory	: A piece of freehold land held under Geran 128424, Lot 1582, Mukim of Tebrau, District of Johor, State of Johor together with a single storey detached factory erected thereon with a postal address of No. 22, Jalan Temenggong 2, Kawasan Perindustrian Temenggong, 81100 Johor Bahru, Johor Darul Ta'zim
Underwriting Agreement	: The underwriting agreement dated 18 January 2023 entered into between our Company and the Joint Underwriters for the underwriting of 54,200,000 IPO Shares
UK	: United Kingdom
USA	: United States of America
Vital Factor or IMR	: Vital Factor Consulting Sdn Bhd (199301012059 (266797-T)), an independent business and market research consulting company

CURRENCIES

RM and sen	: Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	: Renminbi, currency of the People's Republic of China
SGD	: Singapore Dollar, the lawful currency of Singapore
USD	: United States Dollar, the lawful currency of the USA

GLOSSARY OF TECHNICAL TERMS

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

aluminium	:	A chemical element which is a relatively soft metal compared to some common metals such as iron or steel, and having atomic number 13 on the periodic table
bill of materials or BOM	:	A complete list of parts, components and materials incorporating quantity and specifications used in the assembly or manufacture of a semi-finished or finished product
box build	:	The assembly or manufacture of a finished product
computer numerical control machine or CNC machine	:	A computerised machine that can be pre-programmed to carry out specific functions such as rotating a cutting tool to remove some part of an object, or conversely rotating the object and placing it against a cutting tool to remove some part of the object. CNC machine carries out functions including grinding, cutting, milling, turning, drilling and tapping
consumer electronic products	:	Electronic products used mainly by consumers or households
DFM	:	A specific application software used in the design of a die cast parts
die	:	A die is the corresponding protrusion for a mould such that when the die is placed in a mould, a small gap is formed in which the liquid, slurry or molten material can seep into the gap to become the walls of the desired product
die cast parts	:	Parts made through a process of pouring or injecting a liquid, slurry or molten substance into a mould or a mould and die set to obtain a three-dimensional object once the substance cools and hardens
direct distribution channel	:	A marketing term to describe marketing and sales targeted at end-users or end-consumers. In the context of this Prospectus, it also refers to the brand or product owner
electrical discharge machine or EDM	:	A machine designed to remove unwanted parts from an object using continuous electronic sparks form from electrodes. In the context of this Prospectus, EDM is used to fabricate moulds and dies used in the aluminium die casting process
electromechanical assembly	:	The assembly of E&E parts and components together with other non-electrical parts and components such as plastic and metal parts to form a semi-finished or finished product
electronic cigarette	:	A device used for inhaling vapour
electronics manufacturing service or EMS	:	Manufacturing of electronic parts, products or devices
ex-factory	:	Refers to the method of pricing finished products where all costs relating to delivery to the customer's specified destination is borne by the customer
grinding	:	The use of a rotating wheel with abrasive substance on its surface to remove unwanted parts of an object

GLOSSARY OF TECHNICAL TERMS (Cont'd)

high efficiency particulate air or HEPA	:	A type of highly efficient filter designed to remove air-borne particles which can be customised to maintain a maximum number of air-borne particles within an enclosed area. An example would be ISO Class 8 cleanroom that uses HEPA filters
household appliances	:	An E&E device used in households. In the context of this Prospectus, it refers to vacuum cleaner
indirect distribution channel	:	A marketing term to describe marketing and sales targeted at intermediaries or resellers, who would subsequently resell the purchased item without transformation to another party. Commonly these intermediaries are trading or procurement companies
industrial electronic products	:	Electronic products used in industries commonly to manufacture products or perform services for third parties as opposed to products used directly by consumers or households
ISO Class 8 cleanroom	:	An enclosed area designed to maintain no more than 3,520,000 particles of more than or equal to 0.5 micrometre per particle within a cubic metre of air based on ISO 14644 standard. ISO Class 8 cleanrooms are also known as Class 100,000 cleanrooms based on Federal Standard 209E where Federal Standard 209E was replaced by ISO 14644 standard in 2001
lathe machine	:	A machine used for shaping an object by rotating the object against a cutting tool to remove the unwanted parts to obtain the desired shape
light emitting diode or LED	:	A semiconductor device which emits light when electricity is applied to it
milling	:	The process of removing unwanted parts from an object by using a rotating cutting tool where the tool is placed against the object to remove the unwanted parts to obtain the desired shape or design
mould	:	A hollow out section or cavity from a block of material where the cavity will give shape to a liquid, slurry or molten substance poured or injected into it when the substance cools and hardens
point of sales terminal or POS terminal	:	An electronic device to record sales as well as to facilitate sales transactions. In the context of this Prospectus, it is a card reader and a payment gateway to facilitate sales transactions
printed circuit board	:	A non-conductive board or some other flexible materials with electrical circuits commonly made of copper printed on it to serve as electrical pathways
printed circuit board assembly or PCBA	:	A printed circuit board with all the required parts and components embedded onto the board. A PCBA is designed to perform one or more functions such as processing data
smart utility data collection equipment	:	An electronic device used for monitoring other devices or electrical items as well as measure usage of utilities such as water, gas or electricity and having data storage and communication capabilities to receive or send data to a designated location or device
subassembly	:	A semi-finished electronic product. Refers to the combination of various parts and components to form a module as part of the overall final product. In the context of this Prospectus, an example of a subassembly process is to assemble the power supply board, PCBA, heat sink, fan, input and output interfaces, and display panels

GLOSSARY OF TECHNICAL TERMS (Cont'd)

surface mount technology or SMT	:	A method of mounting or placing semiconductor components such as resistors, transistors, capacitors and integrated circuits onto the surface of a printed circuit board
tapping	:	A process where screw threads are formed in a hole
turning	:	The process of rotating an object where a cutting tool is placed against it to remove unwanted parts of the object
wireless communications equipment	:	A device used to receive or transmit data through the air without the use of wires or fibre optics

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/ (Designation)	Address	Nationality
Datuk Mohd Rabin Bin Basir (M) <i>(Independent Non-Executive Chairman)</i>	No. 5 Jalan Enggang Timur 9 Taman Keramat 54200 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian
Tee Kim Chin (F) <i>(Non-Independent Managing Director/Group Chief Executive Officer)</i>	A1003, Block A, Stulang View Condo Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Ta'zim Malaysia	Malaysian
Tee Kim Yok (F) <i>(Non-Independent Executive Director)</i>	A1001, Block A, Stulang View Condo Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Ta'zim Malaysia	Malaysian
Alex Miranda Juntado (M) <i>(Non-Independent Executive Director)</i>	1735 Grey Seal Road Santa Cruz CA 95062 United States of America	American
Lim Chue Wan (F) <i>(Non-Independent Executive Director)</i>	Maisson Residence Block 3-21-02A, Jalan PJU 1A/3 Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian
Tan Sik Hui (F) <i>(Senior Independent Non-Executive Director)</i>	No. 52, Taman Bunga Raya 08000 Sungai Petani Kedah Darul Aman Malaysia	Malaysian
Yau Yin Wee (M) <i>(Independent Non-Executive Director)</i>	27 Jalan Baiduri Taman Kolam Air 80100 Johor Bahru Johor Darul Ta'zim Malaysia	Malaysian
Koh Beng San (M) <i>(Independent Non-Executive Director)</i>	26, Jalan Setia Tropika 9/15 Taman Setia Tropika 81200 Johor Bahru Johor Darul Ta'zim Malaysia	Malaysian
Chen Kok Seng (M) <i>(Independent Non-Executive Director)</i>	A-18-03, The Greens Condo TTDI Jalan Wan Kadir 5 Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan Malaysia	Malaysian

M = Male

F = Female

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

Name	Designation	Directorship
Koh Beng San	Chairman	Independent Non-Executive Director
Yau Yin Wee	Member	Independent Non-Executive Director
Chen Kok Seng	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Yau Yin Wee	Chairman	Independent Non-Executive Director
Koh Beng San	Member	Independent Non-Executive Director
Chen Kok Seng	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Chen Kok Seng	Chairman	Independent Non-Executive Director
Tee Kim Chin	Member	Managing Director/ Group Chief Executive Officer
Koh Beng San	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Tan Sik Hui	Chairperson	Senior Independent Non-Executive Director
Koh Beng San	Member	Independent Non-Executive Director
Yau Yin Wee	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : **Teo Soon Mei**
 Amerits Corporate Sdn Bhd
 No. 7-1, Jalan 109F
 Plaza Danau 2
 Taman Danau Desa
 58100 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 7982 2010
 Professional : Chartered Secretary and Chartered
 qualification : Governance Professional
 Malaysian Institute of Chartered
 Secretaries and Administrators
 ("MAICSA")
 (Membership No.: MAICSA 7018590)
 (SSM PC No.: 201908000235)
- Lim Jia Huey**
 Amerits Corporate Sdn Bhd
 No. 7-1, Jalan 109F
 Plaza Danau 2
 Taman Danau Desa
 58100 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 7982 2010
 Professional : Chartered Secretary and Chartered
 qualification : Governance Professional
 MAICSA
 (Membership No.: MAICSA 7073258)
 (SSM PC No.: 201908000929)
- REGISTERED OFFICE** : No. 7-1, Jalan 109F
 Plaza Danau 2
 Taman Danau Desa
 58100 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 7982 2010
 Facsimile No. : (03) 7980 1242
- HEAD OFFICE** : PLO 227A
 Jalan Cyber 1A
 Kawasan Perindustrian Senai III
 81400 Senai
 Johor Darul Ta'zim
 Malaysia
 Telephone No. : (07) 213 3333
 Email : admin@cape-group.com.my
 Website : www.cape-group.com.my
- SELLING SHAREHOLDERS** : **Tee Kim Chin**
 A1003, Block A, Stulang View Condo
 Jalan Kuning, Taman Pelangi
 80400 Johor Bahru
 Johor Darul Ta'zim
 Malaysia

1. CORPORATE DIRECTORY (Cont'd)

**SELLING SHAREHOLDERS
(Cont'd)**

Tee Kim Yok
A1001, Block A, Stulang View Condo
Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor Darul Ta'zim
Malaysia

**AUDITORS AND
REPORTING
ACCOUNTANTS**

: **Grant Thornton Malaysia PLT**
Suite 28.01, 28th Floor
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Ta'zim
Malaysia
Telephone No. : (07) 332 8335
Partner-in- charge : Wong Wen Tak
Approval No. : 3043/04/2023 J
Professional : Chartered Accountant
qualification : Member of MIA
(MIA Membership No.: 27513)

**PRINCIPAL ADVISER,
JOINT BOOKRUNNER
AND JOINT
UNDERWRITER**

: **Hong Leong Investment Bank Berhad**
Level 30, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia
Telephone No. : (03) 2083 1800

**JOINT BOOKRUNNER AND
JOINT UNDERWRITER**

: **AmInvestment Bank Berhad**
22nd Floor, Bangunan Ambank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia
Telephone No. : (03) 2036 2633

FINANCIAL ADVISER

: **3p Capital Advisers Sdn Bhd**
Unit C2-2-1, Block C2, Solaris Dutamas
Jalan Dutamas 1, Hartamas Heights
50480 Kuala Lumpur
Malaysia
Telephone No. : (03) 6207 8026

LEGAL ADVISERS

: *To our Company as to laws of Malaysia*

Jeff Leong, Poon & Wong

B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Telephone No. : (03) 2203 3388

To our Company as to laws of Singapore

Withers KhattarWong LLP

80 Raffles Place
#25-01 UOB Plaza 1
Singapore 048624
Telephone No. : (+65) 6535 6844

1. CORPORATE DIRECTORY (Cont'd)*To the Joint Bookrunners and Joint Underwriters***Mah-Kamariyah & Philip Koh**

3A07, Block B, Phileo Damansara II
 15, Jalan 16/11, Off Jalan Damansara
 46350 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Telephone No. : (03) 7956 8686

**INDEPENDENT BUSINESS
AND MARKET RESEARCH
CONSULTANTS****: Vital Factor Consulting Sdn Bhd**

V Square @ PJ City Centre (VSQ)
 Block 6, Level 6, Jalan Utara
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Telephone No. : (03) 7931 3188
 Person-in- charge : Wooi Tan
 Qualification : Master of Business Administration from
 The New South Wales Institute of
 Technology (now known as University of
 Technology Sydney), Australia
 Bachelor of Science from The University of
 New South Wales, Australia
 Fellow of the Australia Marketing Institute
 and Institute of Managers and Leaders,
 Australia (formerly known as Australian
 Institute of Management)

*(Please refer to **Section 8** of this Prospectus for the profile of the firm and signing director)***SHARE REGISTRAR AND
ISSUING HOUSE**

: Tricor Investor & Issuing House Services Sdn Bhd
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia
 Telephone No. : (03) 2783 9299

LISTING SOUGHT**: Main Market of Bursa Securities***(The rest of this page has been intentionally left blank)*

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

- (i) The SC had, vide its letter dated 9 November 2022, approved our IPO and Listing under Section 214(1) of the CMSA and the equity requirements for public listed companies, subject to compliance with the following conditions:

<u>Details of conditions imposed</u>	<u>Status of compliance</u>
HLIB and Cape EMS to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing.	To be complied

The SC had, vide the same letter dated 9 November 2022, approved our Listing under the Bumiputera equity requirement for public listed companies in relation to the resultant equity structure of our Company pursuant to the Proposed Listing. The effects of our Listing on the equity structure of our Company are as follows:

<u>Category of shareholders</u>	<u>As at 30 May 2022</u>		<u>After our Listing</u>	
	<u>No. of Shares</u>	<u>% of issued Shares</u>	<u>No. of Shares</u>	<u>% of enlarged issued Shares</u>
Bumiputera				
- Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 115,500,000	12.5
- Bumiputera public investors via balloting	-	-	⁽¹⁾ 23,100,000	2.5
Total Bumiputera	-	-	138,600,000	15.0
Non-Bumiputera	741,937,500	98.9	776,337,500	84.1
Total Malaysian	741,937,500	98.9	914,937,500	99.1
Foreigners	8,062,500	1.1	8,062,500	0.9
Total	750,000,000	100.0	923,000,000	100.0

Note:

- (1) Assuming that all Shares allocated to Bumiputera investors to be approved by MITI under the Institutional Offering and Bumiputera public investors via balloting under the Retail Offering are fully subscribed.

2. INTRODUCTION (Cont'd)

(ii) Waiver

The SC had, vide its letter dated 6 July 2022, approved the relief application submitted by HLIB on behalf of our Company from having to comply with certain requirements of the Prospectus Guidelines. Details of the relief sought and the conditions imposed by the SC are as follows:

<u>Reference</u>	<u>Guidelines/Details of relief sought</u>	<u>Conditions imposed (if any)</u>
Paragraph 4.01(d), Division 1 of Part II of the Prospectus Guidelines	Relief from disclosing details on the ultimate beneficial owners of the Shares held by Fortress	-

2.1.2 Bursa Securities

Bursa Securities had, vide its letter dated 5 January 2023, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued Shares on the Main Market of Bursa Securities. The approval from Bursa Securities is subject to the following conditions:

<u>No.</u>	<u>Details of conditions imposed</u>	<u>Status of compliance</u>
(i)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements; and	To be complied
(i)	Furnish Bursa Securities on the first day of Listing a copy of the schedule of distribution showing compliance to public share spread requirements based on the entire issued shares of Cape EMS.	To be complied

2.1.3 MITI

The MITI had, vide its letter dated 18 October 2022, taken note of and has no objection to our Listing.

2.2 MORATORIUM ON OUR SHARES

In accordance with Paragraph 5.29(a), Part II of the Equity Guidelines, Tee Kim Chin and Tee Kim Yok will not be allowed to sell, transfer or assign their shareholdings in our Company involving 502,050,000 Shares, representing 54.4% of our enlarged issued Shares as at the date of our Listing for a period of 6 months from the date of our Listing.

In addition, Fortress and AOF have voluntarily undertaken to not sell, transfer or assign their entire shareholdings in our Company involving 161,250,000 Shares, representing 17.5% of our enlarged issued Shares as at the date of our Listing for a period of 6 months from the date of our Listing.

2. INTRODUCTION (Cont'd)

The details of our Shares which will be held under moratorium are set out below:

<u>Name</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of Shares to be held under the moratorium</u>	<u>(1)%</u>	<u>No. of Shares to be held under the moratorium</u>	<u>(1)%</u>
<u>Promoters, Directors and Substantial Shareholders</u>				
Tee Kim Chin	374,500,000	40.6	-	-
Tee Kim Yok	127,550,000	13.8	-	-
<u>Substantial Shareholder</u>				
Fortress	153,187,500	16.6	-	-
<u>Shareholder</u>				
AOF	8,062,500	0.9	-	-
Total	663,300,000	71.9	-	-

Note:

(1) Based on our enlarged issued Shares after our IPO of 923,000,000 Shares.

The moratorium has been fully accepted by Tee Kim Chin, Tee Kim Yok, Fortress and AOF, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specially endorsed on the share certificates representing the Shares under moratorium held by Tee Kim Chin, Tee Kim Yok, Fortress and AOF to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions. In compliance with the restrictions, the Share Registrar will issue share certificates representing the moratorium block of shares with the moratorium clause endorsed on them together with a letter providing details of the moratorium to Bursa Depository.

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3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

Subject to the terms and conditions of this Prospectus, our Public Issue of 173,000,000 new Shares and Offer for Sale of 86,700,000 existing Shares shall be allocated and allotted in the following manner:

		<u>No. of Shares</u>	<u>(1)%</u>
Public Issue			
Retail Offering:	- Malaysian Public ⁽²⁾	46,200,000	5.0
	- Eligible Persons	8,000,000	0.8
		<u>54,200,000</u>	<u>5.8</u>
Institutional Offering:	- Bumiputera investors approved by MITI	28,800,000	3.1
	- Other institutional and selected investors	90,000,000	9.8
Total		<u>173,000,000</u>	<u>18.7</u>
Offer for Sale			
Institutional Offering:	- Bumiputera investors approved by MITI	<u>86,700,000</u>	<u>9.4</u>
Enlarged share capital upon Listing:	⁽³⁾RM251,314,177 comprising 923,000,000 Shares		
Retail Price:	RM0.90		
Market capitalisation upon Listing⁽⁴⁾:	RM830,700,000		

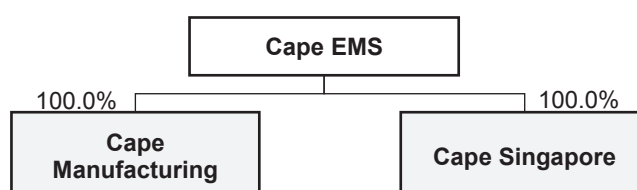
Notes:

- (1) Calculated based on our enlarged issued Shares after our IPO of 923,000,000 Shares.
- (2) Including 23,100,000 Shares made available to Bumiputera public investors.
- (3) Calculated based on the issued share capital as at the LPD, the Retail Price multiplied by the number of new Shares to be issued under the Public Issue and after deducting the estimated listing expenses of approximately RM4,385,823 which is directly attributable to the Public Issue and allowed to be debited against the share capital of our Company.
- (4) Calculated based on the Retail Price and the enlarged issued share capital of 923,000,000 Shares upon Listing.

Please refer to **Section 4** of this Prospectus for further details of our IPO. The entire shareholdings of Tee Kim Chin, Tee Kim Yok, Fortress and AOF will be held under moratorium for a period of 6 months from the date of our Listing. Please refer to **Section 2.2** of this Prospectus for further details of the moratorium on our Shares.

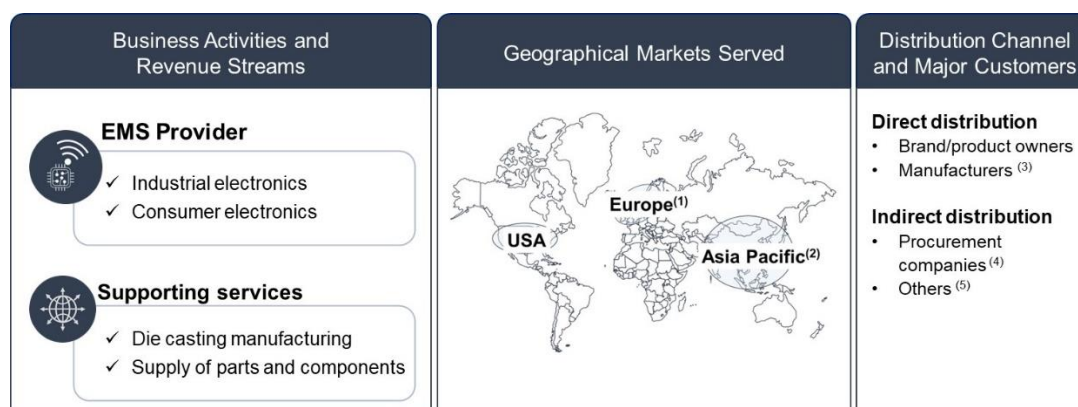
3.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Companies Act 1965 on 21 December 1999 as a private limited company under the name of Imptec Electronics Sdn Bhd and is deemed registered under the Act. Our Company changed its name to Seksun Electronics Sdn Bhd (14 July 2000), Seksun Array Sdn Bhd (3 March 2005), Toyoplas EMS Manufacturing (M) Sdn Bhd (14 March 2011) and Cape EMS Manufacturing (M) Sdn Bhd (16 July 2013). On 9 May 2022, our Company was converted into a public limited company under the name of Cape EMS Manufacturing (M) Berhad. Our Company assumed its present name on 27 May 2022. Our Company is principally an investment holding company and is involved in electronics manufacturing services. Through our Subsidiaries, we are also involved in aluminium die casting and electronics manufacturing services, and supply of electronic products and related activities. As at the LPD, our Group structure including our Subsidiaries is as follows:



3. PROSPECTUS SUMMARY (Cont'd)

Our business model is as follows:



Notes:

- (1) Includes UK and Sweden.
- (2) Includes Singapore, Malaysia, Hong Kong, Japan, China, Taiwan and India.
- (3) Includes E&E, plastic injection moulding and metal stamping manufacturers who purchase aluminium die cast parts for their own use.
- (4) The procurement companies and their end users are set out as follows:
 - (i) SOQ, being the procurement company for a single brand of smart utility data collection equipment, namely the NextCentury brand. Since October 2021, there were no orders for the provision of EMS from SOQ due to the product end of life of NextCentury older models. The Group have been working directly with the brand owner, NextCentury from the USA since 2020 for the EMS of the new models of smart utility data collection equipment;
 - (ii) Tastar Electronics, being the procurement company for a single brand of POS terminal, namely the BBPOS brand; and
 - (iii) K & Q, being the procurement company for a single brand of vacuum cleaner, namely the Eureka brand.
- (5) Includes sales to EMS company as well as equipment manufacturer who purchase wireless modules from our Group for resale purposes.

Further details of our business activities are set out in **Section 7.1.2** and **Section 7.1.3** of this Prospectus.

3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths include the following:

- (i) **We serve customers in industrial and consumer sectors which provides us with 2 pillars for business growth as well as diversity to mitigate against sector dependency and seasonal factors**

The provision of EMS in the 2 industry sectors namely industrial electronic products and consumer electronic products provides us with an overall larger addressable market to sustain and grow our business compared to serving only 1 industry sector. In addition, serving 2 industry sectors enable us to mitigate, to a certain extent, against unfavourable business conditions in 1 industry sector.

- (ii) **Our growth in revenue and profit for the Period Under Review will provide us with the financial platform to grow our business**

We recorded a strong financial performance where our revenue grew from RM43.2 million in FYE 2019 to RM344.3 million in FYE 2021, representing a CAGR of 182.5%, and our revenue increased by 31.3% in FPE 2022 as compared to FPE 2021, mainly attributed to the increase in revenue from the provision of EMS comprising industrial and consumer electronic products contributed by securing more purchase orders from existing customers arose from our ability in meeting their specifications, requirements and delivery schedules as well as securing new customers for both industrial and consumer electronics sectors arising from our marketing efforts to expand our EMS business which started in 2019. Our strong revenue growth combined with a CAGR of 162.3% in PAT performance between

3. PROSPECTUS SUMMARY (Cont'd)

FYE 2019 and FYE 2021, and our PAT which increased by 23.6% in FPE 2022 as compared to FPE 2021 provides us with the financial platform to expand our business operations.

(iii) We provide customised operations and dedicated manufacturing areas for our EMS customers to create customer loyalty and secure new contracts

Our ability to provide customised EMS and dedicated areas is one of the key factors that have enabled us to grow our EMS business segment at a CAGR of 314.5% between FYE 2019 and FYE 2021. This is further supported by the repeat purchase orders issued by our major customers during the Period Under Review and up to the LPD, including wireless communication equipment, smart utility data collection equipment, POS terminals, household appliances and electronic cigarettes. Our dedicated area which includes dedicated space, tools and equipment for the production of the said customer's products enable us to better meet customer's demand in production volume, especially for higher volume output within a short period of time. Our ability to provide dedicated area serve as an appealing consideration to attract new customers to help grow our business.

Further details of our competitive advantages and key strengths are set out in **Section 7.3** of this Prospectus.

3.4 BUSINESS STRATEGIES AND PLANS

Our Group's business strategies are summarised as below:

(i) Setting-up of Tebrau 6 Factory for aluminium die cast manufacturing

In September 2022, we acquired a new production facility, namely Tebrau 6 Factory with the intention to incorporate our new aluminium die cast facilities for a cash consideration of RM16.8 million. We plan to purchase and install 10 new production lines comprising furnaces and die casting machines which are expected to be installed progressively, commencing installation in the first quarter of 2023 and complete installation by second quarter of 2023. We also plan to purchase related machinery and equipment such as 9 units of robotic pick and spray equipment, 2 units of CNC lathe machines and 3 units of rotary screw air compressors, and complete such installation by the second quarter of 2023.

The total cost for setting up of Tebrau 6 Factory for aluminium die cast manufacturing including the acquisition of Tebrau 6 Factory, renovation cost, purchase and installation of aluminium die cast production lines and related machinery and equipment is estimated at RM39.7 million and will be funded through internally generated funds and/or bank borrowings and our IPO proceeds. Subject to the completion of the change of express condition as set out in Note (4) in **Section 7.21.2** of this Prospectus and upon completion of the installation of the 10 production lines by the second quarter of 2023, we will commence the aluminium die cast manufacturing operations at the new Tebrau 6 Factory.

(ii) Construction of New Senai 226 Warehouse and installation of automated storage facilities

We plan to construct the new Senai 226 Warehouse on our existing vacant land, PLO 226B adjacent to our Senai 227 Factory in Johor which was acquired in 2021. The said new warehouse will have a total built-up area of approximately 166,917 sq ft, which is envisaged to mainly house our finished goods for our EMS operations. Currently, our Senai 227 Factory stores both our finished goods for our EMS operations and input materials. We plan to enhance our operational facilities by installing automated storage facilities to enable us to automate the management, storage and retrieval of goods in our warehouse. The total cost for the construction of the New Senai 226 Warehouse and setting-up of the automated storage facilities is estimated at approximately RM53.1 million and will be fully funded by our IPO proceeds. The New Senai 226 Warehouse including installation of the first phase of automated storage facilities is expected to complete and commence operations by the third quarter of 2026, while the installation of the second phase of the automated storage facilities is expected to complete and commence operations by first quarter of 2027.

3. PROSPECTUS SUMMARY (Cont'd)

(iii) New production facilities for EMS operations

We intend to further expand our production facilities and invest in 4 new automated production lines for refill pods at our Senai 227 Factory to cater to the expected expansion of our EMS for electronic cigarettes. With the new production lines, our expected capacity will increase by approximately 133% to 7.7 million pieces per month compared to 3.3 million pieces per month by the end of 2024. As at LPD, we have 2 cleanrooms as set out below:

- an ISO Class 8 cleanroom which houses 8 automated production lines and 2 automated blister packaging lines for the refill pods; and
- an ISO Class 8 cleanroom which houses 4 production lines for disposable cigarette sticks.

We plan to set up a new cleanroom at our Senai 227 Factory which is a new ISO Class 8 cleanroom designed to be an enclosed zone where airborne particles and pollutants are maintained at specific parameters which is the maximum allowable concentration of particles inside the room. The total cost for the new automated production facilities includes 4 new automated production lines and the setting-up of the new cleanroom facility, and the purchase and installation of the related equipment for Senai 227 Factory is estimated at approximately RM66.5 million which will be fully funded by our IPO proceeds. The new automated production facilities are expected to complete by the fourth quarter of 2024.

(iv) Additional factory floor space for our EMS operations

Part of our plans is to expand our factory floor space via the New PLO 227B Factory to accommodate business expansion for our existing as well as potential customers. In September 2022, Cape Manufacturing commenced EMS operations at Kempas 6 Factory, increasing our factory floor space for EMS operations to 332,771 sq ft. We expect to commence the leasing of the New PLO 227B Factory and commence EMS operations at the said factory in the first half of 2024. Our factory floor space for EMS operations will increase from 332,771 sq ft as at the LPD to 463,471 sq ft by the first half of 2024. There is no capital expenditure for the construction of the New PLO 227B Factory as this arrangement is under the proposed sale, build and leaseback.

Further details of our business strategies and plans are set out in **Section 7.22** of this Prospectus.

3.5 RISK FACTORS

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

(i) We are dependent on imported input materials and any disruption in global supply chain may affect our EMS business and result in delay of operations

The input materials needed for our Group's operations include E&E parts and components such as PCBA, mechanical parts, packaging and related materials, as well as aluminium ingots for die casting manufacturing. We source input materials from Malaysia as well as foreign countries but are reliant on imported materials as there are no local alternatives for most of the input materials which are currently imported by our Group, such as batteries. For all of our EMS products, there are both local and foreign sources for input materials, such as E&E parts and components from approved and appointed suppliers by our customers. Imported materials accounted for 34.7%, 27.6%, 49.8% and 59.9% of our total purchases of input materials and services for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. As such, we are reliant on the supply of the imported materials and any disruptions in the global supply chain would affect our EMS business.

As for the proprietary or critical input materials namely the semiconductors, these are mainly supplied by our customers. Any serious and prolonged global shortage of input materials may lead to delay in our production. The delay in production could result in a delay in delivery to our customers which may in turn affect our business operations and financial performance.

3. PROSPECTUS SUMMARY (Cont'd)**(ii) We are dependent on purchase orders from and/or agreements with a few major customers who contribute substantially to our revenue**

We are dependent on the following major customers whose sales collectively contribute a significant portion of our revenue for any one or more years during the Period Under Review:

	FYE 2019		FYE 2020		FYE 2021		FPE 2022		Length of Relationship ⁽¹⁾ (Years)
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	
Changhuat Plastic	25,288	58.6	19,071	11.3	*	*	*	*	5
Airspan group of companies	17,801	41.2	72,278	43.0	78,193	22.7	58,797	18.4	4
K & Q	26	0.1	17,213	10.2	49,350	14.3	34,983	10.9	4
Customer A	-	-	36,406	21.6	42,279	12.3	86,594	27.1	3
Tastar Electronics	-	-	*	*	62,862	18.3	63,222	19.8	3
SOQ and NextCentury	-	-	10,510	6.2	62,769	18.3	40,205	12.6	3
Total sales	43,115	99.9	155,478	92.3	295,453	85.9	283,801	88.8	
Our revenue (RM'000)	43,157		168,261		344,334		319,750		

Notes:

* Not a top 5 major customer for the respective financial year.

(1) Length of relationship as at the FPE 2022.

We have master supply agreements with most of our major customers above. The scope of these agreements includes the duration, governing law, dispute settlement, termination in the events of default, payment terms, late delivery obligations, product liability and obligations arising from Force Majeure events. Please refer to **Section 7.17** of this Prospectus for the salient terms of these agreements. Notwithstanding the above, our business is based on purchase orders issued by our customers. In the event there is a termination or non-renewal of master supply agreements, or a reduction of or no purchase orders, or the loss of any of these major customers and we are unable to obtain substitute orders of comparable sizes from other existing or new customers in a timely manner, our financial condition and results of our operation may be adversely affected.

(iii) We are dependent on our Directors, Key Senior Management, skilled engineers and technicians

Our Executive Directors and Key Senior Management play a pivotal role in our day-to-day operations as well as charting, formulating and implementing strategies to drive the future growth of our Group. We are also reliant on the technical expertise of our skilled engineers and technicians involved in the initial design and conceptualisation, assembly and configuration, integration and commissioning stages of our solutions, and provision of after-sales technical support and services to our customers. Any loss of these personnel, and our inability to find suitable replacements in a timely manner, may create an unfavourable or material impact on our operations, and may eventually affect our ability to maintain and/or improve our business performance. This in turn may adversely affect our financial performance.

(iv) We may not be able to sustain our growth rate and our financial performance in the future

Our revenue grew from RM43.2 million in FYE 2019 to RM344.3 million in FYE 2021, representing a CAGR of 182.5%. Our ability to provide customised EMS has enabled us to grow our EMS business segment from a revenue of RM17.8 million in FYE 2019 to RM306.3 million in FYE 2021, representing a CAGR of 314.5%. There is a risk that we may not be able to sustain our growth rate. If we are unable to maintain adequate revenue and profit growth, our financial position could also be adversely affected. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities or execute our business plans.

3. PROSPECTUS SUMMARY (Cont'd)

(v) **We are dependent on production workers for our business operations**

As at the LPD, we have 129 production workers (representing 27.6% of our total workforce of 467 employees) working on our factory floor, out of which 86 are contractual foreign workers and 43 permanent local workers. In addition, as at the LPD, our production workers are supplemented by 657 production workers employed by our sub-contractor. We may experience shortage of production workers from time to time due to several factors which affect our supply of both local and foreign workers as well as our ability to obtain additional production workers from our subcontractor. Factors affecting the hiring of local production workers include salary and benefit package offered, and location. Factors affecting hiring of foreign production workers include (i) our ability to obtain or renew work permits for our foreign workers which is subject to the approval of the regulatory authorities; and (ii) the laws, regulations, and policies of the foreign workers' countries of origin. This may result in delays in project deliverables, which will consequently affect our business operations. In addition, we may experience cost overruns due to having to engage subcontractors at higher cost.

(vi) **We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies for our business operations**

We require certain licences, permits and approvals issued by various government authorities and regulatory agencies which are essential for the conduct of our business.

In relation to the past non-compliance of die-casting operations at the Temenggong 22 Factory, for the period of non-compliance from 30 June 2016 to 14 March 2022, the potential maximum penalties which may be imposed are approximately RM2.1 million which are approximately 8.2% of the Group's FYE 2021 PBT which would not have a material adverse impact on our business and financial results. Please refer to **Section 7.23(i)(aa)** of this Prospectus for further details.

In relation to the past non-compliance of EMS operations at the Temenggong 22 Factory, for the period of non-compliance from 30 June 2016 and up to 14 August 2022, the potential maximum penalties which may be imposed are approximately RM2.2 million, representing approximately 8.8% of the Group's FYE 2021 PBT which would not have a material adverse impact on our business and financial results. Please refer to **Section 7.23(i)(bb)** of this Prospectus for further details.

Additionally, if we are unable to fulfil any new or existing terms or conditions which may be imposed on the licences, permits and approvals we require and hold, we may not be able to renew or obtain the licences, permits and approvals required for our operations. Further, regulations of the issuing authorities may become more stringent, thus it may be costly for us to comply with the terms and conditions of these licences, permits and approvals, which therefore may adversely affect our profitability. Any breach or material non-compliance with such regulations may result in the suspension, withdrawal or termination of the relevant licences, permits and approvals, financial penalties or cessation of our operations.

(vii) **We may face allegations of forced or unethical labour practices**

We may face allegations of forced or unethical labour practices, even in the absence of any basis. Any allegations of forced or unethical labour practices may lead to negative publicity and affect our customers' willingness to engage our services. Foreign governments may also restrict or ban the import of our products and this may adversely impact our business, financial conditions and prospects. Saved as disclosed in **Section 9.2.1** of this Prospectus, we have not been subject to any allegations or faced punitive actions on our products and services as at the LPD. There can be no assurance that such circumstances will not arise in the future.

(viii) **We are subject to the demand of our customers' end-user markets**

Our business is dependent on our customers' end-user markets. Any negative performance in their end-user markets could result in less purchase orders for our products and services. Some of the factors that may affect our customers' end-user markets include political, economic, social and regulatory factors; changes in technology; changes in market trends and consumer preferences; and new or enhanced products and services replacing existing products and services. Any material changes in regional and global demand from our customers' end-user markets may subsequently affect our business and financial performance.

3. PROSPECTUS SUMMARY (Cont'd)

(ix) We face competition from other EMS operators in Malaysia and foreign countries

We generally compete on a variety of factors including, among others, price competitiveness, financial strengths in terms of working capital, availability or willingness to invest in machinery and equipment, adequate production capacity, availability of skilled resources, quality of products and services, customer service, reliable and competent third-party suppliers, promptness in delivery, track record and market reputation. Failure to remain competitive will have an adverse effect on our future business and financial performance.

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

3.6 IMPACT OF COVID-19 ON OUR BUSINESS

FYE 2020: As a result of the implementation of MCO by the Government during the MCO period, the business operation of our Group was temporarily suspended. This has impacted the financial performance of our Group on the monthly revenue of April 2020 where our revenue declined by 89.0% from RM6.8 million in March 2020 to RM0.8 million in April 2020. Subsequently as our Group resumed operations, our revenue increased by 2,428.3% to RM18.8 million in May 2020.

FYE 2021: Our Group continued to fulfill customers' orders during the NRP period which has not materially affected our product shipments where we continued to record revenue of RM28.4 million in June 2021 and RM25.5 million in July 2021 and RM45.8 million in August 2021. Our Group resumed full workforce capacity on 8 October 2021.

Impact on the supply chain of the Group

Our EMS customers provide us with a 6 to 12 months rolling forecast and confirmed purchase orders mainly on a weekly or quarterly basis. We are responsible for the procurement of input materials, while proprietary or critical input materials namely the semiconductors are mainly supplied by our customers. Any delays in supplying semiconductors to us will consequently delay our manufacturing process and delivery. The shortage of semiconductors does not directly affect our procurement as the semiconductors are mainly supplied by our customers as mentioned above. However, this has resulted in the delay in the supply of semiconductors by our customers to us which consequently delayed our manufacturing process and delivery. There was no cancellation of orders a result of COVID-19 and MCO or variations thereof. The impact of MCO and variations thereof did not materially affect our Group's liquidity, including collectability of trade receivables and cash flow, and profitability.

Notwithstanding the above, in the event of a prolonged COVID-19 pandemic or any other outbreaks of contagious or virulent diseases in the future, the business operation and financial performance of our Group would be materially affected. Save as disclosed above, our Group did not encounter any material supply disruptions of input materials during the MCO periods and up to the LPD. Further details of the impact of COVID-19 on our business are set out in **Section 7.13** of this Prospectus.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors are as follows:

Name	Designation
Datuk Mohd Rabin Bin Basir	Independent Non-Executive Chairman
Tee Kim Chin	Non-Independent Managing Director/ Group Chief Executive Officer
Tee Kim Yok	Non-Independent Executive Director
Lim Chue Wan	Non-Independent Executive Director
Alex Miranda Juntado	Non-Independent Executive Director
Tan Sik Hui	Senior Independent Non-Executive Director
Yau Yin Wee	Independent Non-Executive Director
Chen Kok Seng	Independent Non-Executive Director
Koh Beng San	Independent Non-Executive Director

3. PROSPECTUS SUMMARY (Cont'd)

Our Key Senior Management is as follows:

Name	Designation
Tan Zong Yuan	Group Chief Financial Officer
Salehaldin Bin Nasron	Vice President of Corporate Affairs
Teo Hui Seng	Vice President of Operations
Yew Seow Kuen	Vice President of Supply Chain

Please see **Section 5** of this Prospectus for details on our Directors and Key Senior Management

3.8 DIVIDEND POLICY

For the FYE 2019, FYE 2020 and FYE 2021, there was no dividend declared, made or paid by us or our Subsidiaries to shareholders. For the FPE 2022, we declared and paid a dividend of RM12,964,667 to our then existing shareholders, being Tee Kim Chin, Tee Kim Yok, Fortress and AOF. It is the intention of our Board to recommend and distribute a dividend of up to 30.0% of our audited PAT of each financial year on a consolidated basis after taking into consideration anticipated future operating conditions, operating cash flow requirements, financing commitments, subject to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board. Our Company has no intention to declare any further dividends up to the completion of the Listing. Further details on our dividend policy are disclosed in **Section 12.7** of this Prospectus.

3.9 USE OF PROCEEDS FROM OUR IPO

The gross proceeds from the Public Issue amounting to approximately RM155.7 million⁽¹⁾ will be used in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	34.1
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	Within 24 months	62,810	40.3
Installation of energy saving cooling system	Within 24 months	3,688	2.4
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	4,599	3.0
Working capital	Within 12 months	20,498	13.2
Estimated listing expenses	Within 3 months	11,000	7.0
Total		155,700	100.0

Note:

- (1) We have assumed the Institutional Price and Final Retail Price will be equal to the Retail Price.

The gross proceeds from the Offer for Sale of up to approximately RM78.0 million will accrue entirely to the Selling Shareholders. Further details on the use of proceeds are set out in **Section 4.6** of this Prospectus.

3.10 FINANCIAL HIGHLIGHTS

The key financial highlights based on our historical financial information of our Group for the FYE 2019 to FYE 2021, as well as for the FPE 2021 and FPE 2022 are as set out below:

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	43,157	168,261	344,334	243,597	319,750
GP	3,395	32,421	41,891	27,939	41,551
Other income	1,023	2,149	984	1,206	5,992
PBT	1,123	22,697	25,355	17,372	30,940
PAT attributable to owners of the Company	3,818	20,232	26,264	19,903	24,607

3. PROSPECTUS SUMMARY (Cont'd)

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
GP margin ⁽¹⁾ (%)	7.9	19.3	12.2	11.5	13.0
PBT margin ⁽²⁾ (%)	2.6	13.5	7.4	7.1	9.7
PAT margin ⁽³⁾ (%)	8.8	12.0	7.6	8.2	7.7

Notes:

- (1) Computed based on GP divided by revenue.
(2) Computed based on PBT divided by revenue.
(3) Computed based on PAT divided by revenue.

Consolidated Statements of Financial Position

	Audited as at			
	31 December			30 September
	2019	2020	2021	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total non-current assets	26,085	99,807	218,883	230,614
Total current assets	74,898	157,359	183,257	233,004
Total assets	100,983	257,166	402,140	463,618
Total non-current liabilities	12,797	59,879	112,136	129,849
Total current liabilities	67,177	115,919	120,442	152,245
Total liabilities	79,974	175,798	232,578	282,094
Net assets	21,009	81,368	169,562	181,524
Total equity	21,009	81,368	169,562	181,524
Total bank borrowings ⁽¹⁾ (RM'000)	14,488	87,521	156,264	203,487
Total borrowings ⁽²⁾ (RM'000)	20,697	94,219	156,327	203,512
Gearing ratio ⁽³⁾ (times)	1.0	1.2	0.9	1.1
Net borrowings ⁽⁴⁾ (RM'000)	19,571	81,032	115,959	171,197
Net gearing ratio ⁽⁵⁾ (times)	0.9	1.0	0.7	0.9
Current ratio ⁽⁶⁾ (times)	1.1	1.4	1.5	1.5

Notes:

- (1) Computed based on total bank borrowings including lease liabilities under the hire purchase contracts owing to financial institutions.
(2) Computed based on total borrowings including lease liabilities and interest-bearing advances from third parties, including a supplier, Changhuat Plastic and our engineering consultant, Wu Jung Wai. For more information, see Note 34 of the Accountants' Report included in **Section 13** of this Prospectus.
(3) Computed based on total borrowings including lease liabilities and interest-bearing advances from third parties divided by total equity.
(4) Computed based on total borrowings (including overdraft) less (i) cash and bank balances; and (ii) fixed deposit not pledged to bank.
(5) Computed based on net borrowings (total borrowings (including overdraft) less (i) cash and bank balances; and (ii) fixed deposits not pledged to bank) divided by total equity.
(6) Computed based on current assets over current liabilities.

Consolidated Statements of Cash Flows

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash from/(used in) operating activities	4,549	⁽¹⁾ (1,957)	33,069	2,783
Net cash (used in) investing activities	(4,540)	(6,438)	(46,131)	(11,877)
Net cash (used in)/from financing activities	(155)	17,708	40,461	(6,143)
Cash and cash equivalents at beginning of the financial year	1,113	1,112	10,640	37,810
Cash and cash equivalents at end of the financial year	1,112	10,640	37,810	24,517

3. PROSPECTUS SUMMARY (Cont'd)

Note:

- (1) We recorded a net cash flow used in operating activities of approximately RM2.0 million in FYE 2020, mainly due to an outstanding amount of RM25.1 million from Changhuat Plastic. On 31 December 2020, Cape EMS entered into an agreement with Changhuat Plastic to extend the repayment term for the outstanding amount of RM25.1 million to December 2021. Subsequently in December 2021, the repayment term for the outstanding amount of RM7.6 million was further extended to December 2022. As at the LPD, the outstanding receivables has been settled.

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

3.11 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Promoters and Substantial Shareholders	Nationality/ Country of Incorporation	Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares (^{'000})	(¹)(%)	No. of Shares (^{'000})	(¹)(%)	No. of Shares (^{'000})	(²)(%)	No. of Shares (^{'000})	(²)(%)
Promoters and Substantial Shareholders									
Tee Kim Chin	Malaysian	(³)450,000	60.0	-	-	(³)374,500	40.6	-	-
Tee Kim Yok	Malaysian	(⁴)138,750	18.5	-	-	(⁴)127,550	13.8	-	-
Substantial Shareholder									
Fortress	Malaysia	(⁵)153,187	20.4	-	-	(⁵)153,187	16.6	-	-

Notes:

- (1) Based on our issued Shares before our IPO of 750,000,000 Shares following the Pre-IPO Restructuring Exercise, details of which are set out in **Section 6.1.1** of this Prospectus.
- (2) Based on our enlarged issued Shares after our IPO of 923,000,000 Shares.
- (3) Tee Kim Chin has provided 2 pledges over her 450,000,000 Shares in favour of (i) AmBank Islamic Berhad ("**AmIslamic Bank**") for a Murabahah Tawarruq Term Financing-i ("**AmIslamic Facility**") she obtained and (ii) AmBank (M) Berhad ("**Ambank**") for a term loan obtained by Tee Kim Yok ("**Ambank Facility**") as described in Note (4) below, which ranks after the pledge over her entire shareholding of 450,000,000 Shares in favour of AmIslamic Bank for the AmIslamic Facility she obtained. The pledged Shares will be held in separate accounts in the name of Amsec Nominees (Tempatan) Sdn Bhd. 75,500,000 Shares of Tee Kim Chin's entire shareholding has been released to facilitate the Offer for Sale. The remaining 374,500,000 Shares will continue to be pledged to AmIslamic Bank and Ambank. The pledge in favour of AmIslamic Bank will be uplifted upon settlement of the AmIslamic Facility by Tee Kim Chin using part of the proceeds from the Offer for Sale. The pledge in favour of Ambank will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok using the gross proceeds raised from the Offer for Sale after the Proposed Listing. Tee Kim Chin's pledges will not impact the moratorium.
- (4) Tee Kim Yok has provided a pledge over her entire shareholding of 138,750,000 Shares in favour of Ambank for the Ambank Facility, of which 11,200,000 Shares has been released to facilitate the Offer for Sale. The remaining 127,550,000 Shares will continue to be pledged to Ambank and held in separate accounts in the name of Amsec Nominees (Tempatan) Sdn Bhd. The said pledge will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok using the gross proceeds raised from the Offer for Sale after the Proposed Listing. Tee Kim Yok's pledge will not impact the moratorium.
- (5) Held by Fortress on trust for its clients who are the beneficial owners of the Shares.

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

4. PARTICULARS OF OUR IPO

4.1 INDICATIVE TIMETABLE

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

Event	Time and/or date
Opening of the Institutional Offering	16 February 2023
Issuance of this Prospectus/ Opening of the Retail Offering	10.00 a.m., 16 February 2023
Closing of the Retail Offering	5.00 p.m., 24 February 2023
Closing of the Institutional Offering	27 February 2023
Price Determination Date	27 February 2023
Balloting of applications for our IPO Shares under the Retail Offering	1 March 2023
Allotment/ Transfer of our IPO Shares to successful applicants	8 March 2023
Listing	10 March 2023

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

4.2 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus. Our IPO consists of the Institutional Offering and the Retail Offering for a total of 259,700,000 IPO Shares, representing approximately 28.1% of our enlarged issued Shares.

4.2.1 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering involves the offering of 205,500,000 IPO Shares, representing approximately 22.3% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus, at the Institutional Price in the following manner:

- (i) 115,500,000 IPO Shares, representing approximately 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and
- (ii) 90,000,000 IPO Shares, representing approximately 9.8% of our enlarged issued Shares to institutional and selected investors (other than Bumiputera investors approved by the MITI).

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.2 Retail Offering

Retail Offering at the Retail Price of RM0.90 per IPO Share, payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.

The Retail Offering involves the offering of 54,200,000 IPO Shares, representing approximately 5.8% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus, at the Retail Price in the following manner:

(i) Allocation to Eligible Persons

8,000,000 IPO Shares, representing approximately 0.8% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of IPO Shares allocated
Our Directors	6	2,000,000
Eligible employees of our Group	369	2,000,000
Persons who have contributed to the success of our Group	4	4,000,000
Total	379	8,000,000

Allocation to our Directors

The criteria for the allocation to our Directors are based on, among others, their respective roles, responsibilities, seniority and length of service in our Group.

Tee Kim Chin, Tee Kim Yok and Alex Miranda Juntado have indicated that they will not be subscribing for our IPO Shares due to the following:

(a) Tee Kim Chin and Tee Kim Yok

Tee Kim Chin and Tee Kim Yok, being the Selling Shareholders, will be offering 75,500,000 Shares and 11,200,000 Shares respectively, under the Offer for Sale.

(b) Alex Miranda Juntado

Alex Miranda Juntado, who currently resides in the USA, has indicated his preference to maintain his equity investment portfolio in the USA.

Save for Tee Kim Chin, Tee Kim Yok and Alex Miranda Juntado, the details of allocation of our IPO Shares to our Directors are as follows:

Directors	Designation	No. of IPO Shares allocated
Datuk Mohd Rabin Bin Basir (M)	Independent Non-Executive Chairman	320,000
Lim Chue Wan (F)	Non-Independent Executive Director	⁽¹⁾ 400,000
Tan Sik Hui (F)	Senior Independent Non-Executive Director	320,000

4. PARTICULARS OF OUR IPO (Cont'd)

Directors	Designation	No. of IPO Shares allocated
Yau Yin Wee (M)	Independent Non-Executive Director	320,000
Chen Kok Seng (M)	Independent Non-Executive Director	320,000
Koh Beng San (M)	Independent Non-Executive Director	320,000

Notes:

(M) Male.

(F) Female.

(1) Lim Chue Wan has been allocated 400,000 IPO Shares due to her executive role and responsibility in our Group.

Allocation to eligible employees of our Group

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

- (a) is employed on full time basis and who has been confirmed in service;
- (b) full time employee of at least 18 years of age; and
- (c) the seniority, job grading and/or their respective contribution made to our Group as well as other factors deemed relevant to our Board.

The details of the allocation of our IPO Shares to our Key Senior Management are as follows:

Key Senior Management	Designation	No. of IPO Shares allocated
Tan Zong Yuan (M)	Group Chief Financial Officer	100,000
Teo Hui Seng (M)	Vice President of Operations	100,000
Yew Seow Kuen (F)	Vice President of Supply Chain	100,000
Salehaldin Bin Nasron (M)	Vice President of Corporate Affairs	100,000

Notes:

(M) Male.

(F) Female.

Allocation to persons who have contributed to the success of our Group

The criteria for the allocation to persons who have contributed to the success of our Group are based on, amongst others, their level of contribution, length of business relationship and support to the growth of our Group.

4. PARTICULARS OF OUR IPO (Cont'd)

(ii) Allocation via balloting to the Malaysian Public

46,200,000 IPO Shares, representing approximately 5.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public by way of balloting, of which 23,100,000 IPO Shares shall be set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

In the event of an under-subscription by Bumiputera citizens, companies, co-operatives, societies and institutions, our IPO Shares may be clawed back from Bumiputera citizens, companies, co-operatives, societies and institutions and allocated to other Malaysian Public. In the event of an under-subscription by other Malaysian Public, our IPO Shares may be clawed back from such other Malaysian Public and allocated to Bumiputera citizens, companies, co-operatives, societies and institutions. In the event of an under-subscription in the Malaysian Public, our IPO Shares may be clawed back from the Malaysian Public and allocated to the Institutional Offering.

As at the LPD, save as disclosed in **Section 4.2.2** of this Prospectus:

- (i) there are no substantial shareholders, Directors or Key Senior Management who have indicated to us that they intend to subscribe for our IPO Shares, save for the IPO Shares made available for application under the Pink Form Allocation; and
- (ii) there is no person that intends to subscribe for more than 5.0% of our IPO Shares.

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4. PARTICULARS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus, in the following manner:

Category	Offer for Sale		Public Issue		Total	
	No. of Shares	% of our enlarged issued Shares	No. of Shares	% of our enlarged issued Shares	No. of Shares	% of our enlarged issued Shares
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	2,000,000	0.2	2,000,000	0.2
- Eligible employees of our Group	-	-	2,000,000	0.2	2,000,000	0.2
- Persons who have contributed to the success of our Group	-	-	4,000,000	0.4	4,000,000	0.4
Malaysian Public (via balloting):						
- Bumiputera	-	-	23,100,000	2.5	23,100,000	2.5
- Non-Bumiputera	-	-	23,100,000	2.5	23,100,000	2.5
Sub-total	-	-	54,200,000	5.8	54,200,000	5.8
Institutional Offering:						
Bumiputera investors approved by the MITI	86,700,000	9.4	28,800,000	3.1	115,500,000	12.5
Other institutional and selected investors	-	-	90,000,000	9.8	90,000,000	9.8
Sub-total	86,700,000	9.4	118,800,000	12.9	205,500,000	22.3
Total	86,700,000	9.4	173,000,000	18.7	259,700,000	28.1

The completion of the Retail Offering and Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement, as approved by Bursa Securities as set out in **Section 4.2.4** of this Prospectus. Our Public Issue and Offer for Sale will raise gross proceeds of RM155,700,000 and RM178,030,000 respectively.

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.3 Clawback and reallocation

The Institutional Offering and Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to the Eligible Persons are under-subscribed, such IPO Shares may be allocated to the institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Principal Adviser and us;
- (ii) if our IPO Shares allocated to Bumiputera investors approved by MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares will:
 - (a) firstly, be allocated to Malaysian institutional investors under the Institutional Offering;
 - (b) secondly, be allocated to the Malaysian Public under the Retail Offering. Any allocation to the Malaysian Public will firstly be allocated to the Bumiputera public investors under the Retail Offering via balloting process, and thereafter to the other Malaysian Public under the Retail Offering; and
 - (c) thereafter, any remaining shares from the MITI Tranche which are not subscribed will be made available to selected investors under the Institutional Offering;
- (iii) if our IPO Shares allocated via balloting to Bumiputera citizens, companies, co-operatives, societies and institutions under our Retail Offering is under-subscribed, our IPO Shares may be clawed back from Bumiputera citizens, companies, co-operatives, societies and institutions and allocated to other Malaysian Public. Conversely, if our IPO Shares allocated via balloting to the other Malaysian Public under the Retail Offering is under-subscribed, our IPO Shares may be clawed back from such other Malaysian Public and allocated to Bumiputera citizens, companies, co-operatives, societies and institutions;
- (iv) subject to items (i), (ii) and (iii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering;
- (v) subject to items (i), (ii) and (iii) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our IPO Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering;
- (vi) there will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or Retail Offering but no over-subscription in the other;
- (vii) any Excess Shares not taken up by the Eligible Persons under the Pink Form Allocation will be made available for application by the other Eligible Persons who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:
 - (a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group (including directors of our Subsidiaries) who have applied for the Excess Shares based on the number of Excess Shares applied for;
 - (b) secondly, allocation of any surplus Excess Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Shares based on the number of Excess Shares applied for; and
 - (c) thirdly, to minimise odd lots.

4. PARTICULARS OF OUR IPO (Cont'd)

Our Board reserves the right to allot Excess Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Shares thereafter, such balance will be made available for clawback and reallocation in item (i) above. Any IPO Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

4.2.4 Minimum subscription level

There is no minimum subscription amount to be raised from our IPO. All IPO Shares pursuant to **Section 4.2.2** of this Prospectus will be fully underwritten by our Joint Underwriters pursuant to the salient terms of the Underwriting Agreement as set out in **Section 4.8.1** of this Prospectus.

In order to comply with the public shareholding spread requirements under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders to comply with the public spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have at least 25.0% of our Shares held by at least in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

In the event the above public shareholding spread requirements are not met, we may not be able to proceed with our Listing. Please refer to **Section 9.3.6** of this Prospectus for more details in the event there is a delay in or termination of our Listing.

4.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the issued Shares, subject to any applicable Rules of Bursa Depository.

The Issue Shares rank equally in all respects with our other existing issued Shares including voting rights will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Issue Shares, subject to any applicable Rules of Bursa Depository.

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

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

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.6 Share capital

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

	<u>No. of Shares</u>	<u>Share capital (RM)</u>
Issued share capital as at the LPD	750,000,000	100,000,000
New Shares to be issued under the Public Issue	<u>173,000,000</u>	⁽¹⁾ 155,700,000
	923,000,000	255,700,000
Estimated listing expenses attributable to the Public Issue	-	⁽²⁾ (4,385,823)
Total upon Listing	<u>923,000,000</u>	<u>251,314,177</u>

Notes:

- (1) Calculated based on the Retail Price multiplied by the number of new Shares to be issued under the Public Issue.
- (2) Being the estimated listing expenses directly attributable to the Public Issue and allowed to be debited against the share capital of our Company.

4.2.7 Priority of the offering

In the event the demand for our IPO Shares is less than 259,700,000 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.3 SELLING SHAREHOLDERS

The details of our Selling Shareholders and their relationship with our Group as follows:

<u>Name</u>	<u>Nature of relationship</u>	<u>Before our IPO</u>		<u>Offer for Sale</u>		<u>After our IPO</u>	
		<u>No. of Shares</u>	⁽¹⁾ %	<u>No. of Shares</u>	⁽¹⁾ ⁽²⁾ %	<u>No. of Shares</u>	⁽²⁾ %
Tee Kim Chin	Our Promoter, Director and substantial shareholder	450,000,000	60.0	75,500,000	⁽¹⁾ 10.1/ ⁽²⁾ 8.2	374,500,000	40.6
Tee Kim Yok	Our Promoter, Director and substantial shareholder	138,750,000	18.5	11,200,000	⁽¹⁾ 1.5/ ⁽²⁾ 1.2	127,550,000	13.8

Notes:

- (1) Based on our existing issued Shares of 750,000,000 Shares as at LPD.
- (2) Based on our enlarged issued Shares of 923,000,000 Shares after our IPO.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

This Retail Price of RM0.90 per Share was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Principal Adviser, Joint Bookrunner and Joint Underwriters, after taking into consideration the following factors:

- (i) our Group's growth in revenue and PAT at a CAGR of 182.5% and 162.3% respectively from FYE 2019 to FYE 2021, while our Group's revenue and PAT increased by 31.3% and 23.6% respectively in FPE 2022 as compared to FPE 2021. Our EBITDA grew at a CAGR of 185.6% from FYE 2019 to FYE 2021, and increased by 82.4% from FPE 2021 to FPE 2022. During this period of growth, our EBITDA margins were at 11.7%, 19.4%, 12.0% and 15.8% for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively;
- (ii) price-to-earnings ratio (PER) of approximately 31.6 times based on our Group's diluted EPS of 2.85 sen after taking into account our PAT of RM26.3 million for the FYE 2021 and 923.0 million Shares upon Listing;
- (iii) our pro forma NA per Share of about RM0.35 as at 30 September 2022, based on our enlarged issued Shares of 923.0 million Shares upon Listing and after adjusting for the expenses relating to our IPO and intended use of proceeds from our Public Issue, representing a price-to-book ratio of about 2.6 times, based on the Retail Price;
- (iv) our financial performance and operating history as outlined in **Section 12** and **Section 6.1** of this Prospectus respectively;
- (v) our competitive advantages and key strengths, as outlined in **Section 7.3** of this Prospectus, which are summarised as follows:
 - (a) we serve customers in industrial and consumer sectors which provides us with 2 pillars for business growth as well as diversity to mitigate against sector dependency and seasonal factors;
 - (b) our growth in revenue and profit for the Period Under Review will provide us with the financial platform to grow our business;
 - (c) we provide customised operations and dedicated manufacturing areas for our EMS customers to create customer loyalty and secure new contracts;
 - (d) we have factory floor space to accommodate the business expansion of our existing customers as well as potential customers;
 - (e) we invest in dedicated machinery and equipment, and procure materials and services to create long term business relationships with our customers;
 - (f) we have both direct and indirect distribution channels to optimise our market access and coverage;
 - (g) we have an in-house aluminium die cast manufacturing facility to support our EMS operations which also serves as an additional source of revenue; and
 - (h) we have experienced Managing Director/ Group Chief Executive Officer, Executive Directors, Key Senior Management team to sustain and continue developing our business.
- (vi) our plans and strategies are as follows:
 - (a) setting-up of Tebrau 6 Factory for aluminium die cast manufacturing;

4. PARTICULARS OF OUR IPO (Cont'd)

- (b) construction of New Senai 226 Warehouse and installation of automated storage facility;
- (c) new production facilities for EMS operations; and
- (d) additional factory floor space for our EMS operations;
- (vii) the overview and future outlook of the electronics manufacturing industry in Malaysia, as described in **Section 8** of this Prospectus; and
- (viii) the prevailing market conditions, including but not limited to market performance of key regional indices and companies involved in similar businesses listed on Bursa Securities as set out in **Section 8** of this Prospectus, current market trends and investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Institutional Price; or
- (ii) the Retail Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See **Section 4.4.3** of this Prospectus for details of the refund mechanism.

The Institutional Price and Final Retail Price will be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Institutional Price and Final Retail Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by way of a bookbuilding process where the prospective institutional and selected investors will be invited to bid for the portion of the Institutional Offering by specifying the number of IPO Shares that they would be prepared to acquire and the price that they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process will commence on 16 February 2023 and will end on 27 February 2023, or such other date or dates as our Directors and Selling Shareholders in consultation with the Joint Bookrunners in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Board and Selling Shareholders in consultation with the Joint Bookrunners on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository at the successful applicants' own risk (if you have not provided your bank account information to Bursa Depository) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) for applications made via the Application Form, within 10 Market Days from the date of final ballot of applications; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, please refer to **Section 15.9** of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be RM830.7 million.

YOU SHOULD NOTE THAT OUR MARKET PRICE UPON LISTING IS SUBJECT TO THE VAGARIES OF MARKET FORCES AND OTHER UNCERTAINTIES THAT MAY AFFECT THE PRICE OF OUR SHARES. YOU SHOULD FORM YOUR OWN VIEWS ON THE VALUATION OF OUR IPO SHARES BEFORE DECIDING TO INVEST IN THEM. YOU ARE REMINDED TO CAREFULLY CONSIDER THE RISK FACTORS AS SET OUT IN SECTION 9 OF THIS PROSPECTUS BEFORE DECIDING TO INVEST IN OUR SHARES.

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by the retail, institutional and selected investors for our IPO Shares. Our pro forma consolidated NA per Share as at 30 September 2022 is RM0.24, based on the total number of issued shares of 750,000,000 Shares before our IPO.

After taking into account our enlarged issued Shares from the issuance of 173,000,000 Issue Shares, adjusting for the expenses relating to our IPO and intended use of proceeds from our Public Issue, our pro forma NA per Share as at 30 September 2022 would be RM0.35. This represents an immediate increase in NA per Share of RM0.11 to our existing shareholders and an immediate dilution in the NA per Share of RM0.55 (representing 61.1% of the Institutional Price and the Retail Price (assuming the Institutional Price and the Final Retail Price will equal the Retail Price), to the retail, institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Institutional Price and the Final Retail Price:

	<u>RM</u>
Institutional Price/ Final Retail Price	0.90
Pro forma consolidated NA per Share as at 30 September 2022 before the IPO	0.24
Pro forma consolidated NA per Share as at 30 September 2022 after the IPO and use of proceeds from our Public Issue	0.35
Increase in the pro forma consolidated NA per Share to our existing shareholders	0.11
Dilution in the pro forma consolidated NA per Share to institutional/retail and selected investors	0.55
Dilution in the pro forma consolidated NA per Share to institutional/retail and selected investors as a percentage of Institutional Price and the Final Retail Price	61.1%

Further details of our pro forma consolidated NA per Share as at 30 September 2022 is set out in **Section 12.8** of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

Save as disclosed below, none of our Promoters, substantial shareholders, Directors, Key Senior Management or persons connected to them had acquired or obtained the rights to acquire and/or subscribe for our Shares in the past 3 years up to the LPD:

<u>Name</u>	<u>No. of Shares before Share Split</u>	<u>No. of Shares after Share Split</u>	<u>No. of Shares from our IPO</u>	<u>Total consideration (RM)</u>	<u>Average price per Share (RM)</u>
<u>Promoters, Directors and substantial shareholders</u>					
Tee Kim Chin	⁽¹⁾ 18,000,000	⁽¹⁾ 270,000,000	-	⁽¹⁾ 18,000,000	0.07
Tee Kim Yok	⁽²⁾ 10,000,000	⁽²⁾ 138,750,000	-	⁽²⁾ 7,456,572	0.05
<u>Director</u>					
Alex Miranda Juntado	⁽³⁾ 2,000,000	-	-	⁽³⁾ 2,000,000	1.00
<u>Substantial shareholder</u>					
Fortress	⁽⁴⁾ 9,500,000	⁽⁴⁾ 153,187,500	-	57,000,000	0.37

Notes:

- (1) On 16 March 2020, Tee Kim Chin was allotted 3,000,000 Shares for consideration otherwise than cash of RM3,000,000. On 7 September 2020, Tee Kim Chin was allotted 15,000,000 Shares by way of capitalisation of cash advances of RM15,000,000. Pursuant to the Share Split which was completed on 27 April 2022, the 18,000,000 Shares acquired by Tee Kim Chin adjusted to 270,000,000 Shares.
- (2) On 6 July 2021, 10,000,000 Shares were transferred from Alex Miranda Juntado to Tee Kim Yok for a cash consideration of RM10,000,000. Pursuant to the Share Split which was completed on 27 April 2022, the 10,000,000 Shares acquired by Tee Kim Yok adjusted to 150,000,000 Shares. On 28 June 2022, pursuant to the Shareholding Restructuring with Fortress and AOF, Tee Kim Yok transferred 11,250,000 Shares which had been valued at RM2,543,428 to Fortress and AOF. As at the LPD, Tee Kim Yok holds 138,750,000 Shares.
- (3) On 16 March 2020, Alex Miranda Juntado was allotted 2,000,000 Shares for consideration otherwise than cash of RM2,000,000. On 6 July 2021, Alex Miranda Juntado transferred his entire 10,000,000 Shares to Tee Kim Yok for a cash consideration of RM10,000,000.
- (4) On 31 December 2021, Fortress was allotted 57,000,000 ICPS for a cash consideration of RM57,000,000. Subsequently, on 20 April 2022, pursuant to the Conversion of ICPS, Fortress converted all of its 57,000,000 ICPS into 9,500,000 Shares. Pursuant to the Share Split which was completed on 27 April 2022, the 9,500,000 Shares acquired by Fortress were adjusted to 142,500,000 Shares. On 28 June 2022, Tee Kim Yok transferred 10,687,500 Shares which had been valued at RM2,416,257 to Fortress as part of the Shareholding Restructuring with Fortress and AOF. As at the LPD, Fortress holds 153,187,500 Shares.

4. PARTICULARS OF OUR IPO (Cont'd)**4.6 USE OF PROCEEDS**

We expect to use the gross proceeds from the Public Issue amounting to approximately RM155.7 million⁽¹⁾ in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	34.1
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	Within 24 months	62,810	40.3
Installation of energy saving cooling system	Within 24 months	3,688	2.4
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	4,599	3.0
Working capital	Within 12 months	20,498	13.2
Estimated listing expenses	Within 3 months	11,000	7.0
Total		155,700	100.0

Note:

- (1) Based on the assumption that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Moving forward, our strategic business growth is focused on future expansion of our operational facilities and to grow our business. From that perspective, our business strategies and plans will be based on expanding and enhancing our operational facilities including warehousing, automated storage facility and new production facilities. Further details of our Group's business strategies and plans are set out in **Section 7.22** of this Prospectus.

Upon completion of our Listing, in the event of a change of 25% or more of the total proceeds raised from our IPO, our Group must seek our shareholders' approval, in accordance with the Listing Requirements.

To support these strategies, the gross proceeds from the Public Issue of approximately RM155.7 million are expected to be utilised for the following purposes:

4.6.1 Construction of New Senai 226 Warehouse and installation of automated storage facilities

As at the LPD, our Group has 2 factories that are dedicated to our EMS operations, namely Senai 227 Factory and Kempas 6 Factory with a total built-up area of 332,771 sq ft. The said factories have also been used to house our machinery and equipment as well as storage facilities.

Our Group intends to construct the New Senai 226 Warehouse and install automated storage facilities in the new warehouse. The New Senai 226 Warehouse is intended to be constructed on PLO 226B which was purchased by our Group in 2021 for a purchase consideration of approximately RM7.8 million. The purchase of PLO 226B had been funded by the proceeds from the issuance of the ICPS as well as bank borrowings. The construction of the New Senai 226 Warehouse and installation of automated storage facilities is expected to cost approximately RM53.1 million.

4. PARTICULARS OF OUR IPO (Cont'd)

Address	:	PLO 226B, Jalan Cyber 1, Kawasan Perindustrian Senai Fasa III, 81400 Senai, Johor
Description of the proposed warehouse	:	Single storey warehouse
Land area	:	278,462 sq ft
Estimated built-up area	:	166,917 sq ft
Proposed usage	:	Warehouse functions

The New Senai 226 Warehouse will have a new built-up area of approximately 166,917 sq ft which will provide additional storage floor space to mainly house our finished goods for our EMS operations. The remaining land area of 111,545 sq ft will comprise the landscape area, car park area and access road, guard house and electric supply substation. Currently, our existing storage floor space at Senai 227 Factory has been fully utilised for the storage of both finished goods and input materials for our EMS operations. This is in line with our strategies and plan to expand our operational facilities and facilitate our EMS business expansion. Upon completion of the construction of the New Senai 226 Warehouse, this will free up the storage floor space at Senai 227 Factory, which will be made available for expansion of our EMS operations including transitional storage of input materials and finished goods.

Based on the current capacity, the number of pallets which is able to be handled in Senai 227 Factory is approximately 1,428 pallets. With the construction of the New Senai 226 Warehouse and installation of automated storage facilities, it is expected that our Group's storage capabilities would be able to increase by approximately 32,400 pallets, representing an increase of more than 2,000%. The set-up of the automated storage facilities at the New Senai 226 Warehouse will be carried out in 2 phases.

The New Senai 226 Warehouse will provide our Group with a larger storage capacity compared to the existing storage floor space at Senai 227 Factory of approximately 30,700 sq ft and the automated storage facilities will enable our Group to enhance our operational facilities (as mentioned above) and enable our Group to serve our existing and potential customers better.

As at the LPD, the construction of the New Senai 226 Warehouse has not commenced. Based on the indicative timeline, we expect to submit the building plan to the Kulai Municipal Council for approval by third quarter of 2023. We expect to complete the construction of the New Senai 226 Warehouse and to commence operations by first quarter of 2026.

The construction of the New Senai 226 Warehouse and installation of automated storage facilities is expected to cost a total of approximately RM53.1 million, the breakdown of which is as follows:

Description	Total estimated costs		Expected timing to commence	Expected completion timeframe
	(RM'000)	(%)		
Construction costs for New Senai 226 Warehouse	25,937	48.8	Q1 2024	Q1 2026
Purchase and installation of automated storage facilities	27,168	51.2		
- Phase 1	13,516	25.5	Q1 2026	Q3 2026
- Phase 2	13,652	25.7	Q4 2026	Q1 2027
Total	53,105	100.0		

Upon completion of the construction of the New Senai 226 Warehouse, our Group will then purchase and install automated storage facilities in 2 phases in order to allow our customers the usage of part of the said warehouse (Phase 1) pending completion of Phase 2. We expect to complete the installation of Phase 1 and Phase 2 of the automated storage facilities and commence operations by the third quarter of 2026 and first quarter of 2027 respectively.

4. PARTICULARS OF OUR IPO (Cont'd)

We do not foresee any material adverse impact on our Group in the event of any delay in the completion of the construction of the New Senai 226 Warehouse as well as the purchase and installation of the automated storage facilities as our Group will be able to outsource the storage requirement through the renting of storage space from warehouse and fulfilment parties.

As mentioned above, we have earmarked approximately RM53.1 million or 34.1% of the proceeds raised from our Public Issue to construct the New Senai 226 Warehouse together with the installation of the automated storage facilities.

Please refer to **Section 7.22.2** of this Prospectus for further details on the construction of New Senai 226 Warehouse and installation of automated storage facilities.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital, internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for working capital purposes.

4.6.2 Setting-up of new cleanroom facility and purchase of automated production lines for Senai 227 Factory

Our Group has earmarked approximately RM62.8 million or 40.3% of the proceeds raised from our Public Issue to fully fund the setting-up of a new ISO Class 8 cleanroom facility and purchase of 4 new automated production lines for our EMS operations for the electronic cigarette for Customer A⁽¹⁾. The rationale of our expansion is to increase our Group's capacity to meet the expected increasing demand from the said customer. The expected increase in demand is premised on the rolling forecast provided to our Group as well as discussions with the said customer. The setting-up of a new cleanroom facility and purchase of automated production lines for our EMS operations is for our Senai 227 Factory.

Note:

- (1) Customer A is principally involved in electronic cigarette manufacturing and distribution in the USA. The name of Customer A has not been disclosed due to a confidentiality requirement in our Manufacturing and Supply Agreement with Customer A. Consent was sought for disclosure of the identity of Customer A but was not obtained. As such, the identity of Customer A is not disclosed in this Prospectus.

With the new cleanroom facility together with the 4 new automated production lines as well as its existing 8 automated production lines for refill pods, we expect our Group's monthly production capacity for the refill pods for the electronic cigarettes to increase by approximately 133.3% from approximately 3.3 million pieces to approximately 7.7 million pieces (an additional production capacity of approximately 4.4 million pieces per month) by the end of 2024.

The total cost for setting-up of new cleanroom facility and purchase of automated production lines is estimated at RM62.8 million as follows:

Description	No. of unit	Estimated cost (RM'000)
Setting-up costs for new cleanroom facility	1	1,298
Automated production lines ⁽¹⁾	4	61,512
Total		62,810

Note:

- (1) The cost of each of the 4 automated production lines is estimated at approximately RM15.4 million.

4. PARTICULARS OF OUR IPO (Cont'd)

Setting-up costs for new cleanroom facility

As part of the on-going and future expansion plans, our Group would be adding a new ISO Class 8 cleanroom facility to house the new automated production lines to support our future business. The new cleanroom of ISO Class 8 is an existing technology adopted by our Group in our EMS operations. The ISO Class 8 cleanroom is an enclosed area designed to maintain no more than 3,520,000 particles of more than or equal to 0.5 micrometre per particle within a cubic metre of air based on ISO 14644 standard. The specification of the cleanrooms is based on the minimum requirement to manufacture the products based on the product specifications as required by our customers. The setting-up of a new cleanroom facility does not require any licence or approval from regulatory authorities. However, our Group opts to obtain an annual certificate to be issued by an independent external laboratory company to confirm that the new cleanroom is an ISO Class 8 cleanroom.

As part of our practice, we have implemented continuous monitoring of the cleanrooms' specifications via regular preventative maintenance and daily inspection, such as daily checking of high-efficiency particulate air (HEPA) filter and weekly inspection of the parts for the cleanrooms' facility and the automated production lines. Further, our Company has set up auto notification to designated technical personnel on cleanroom temperature and humidity for continuous monitoring. Any problems or potential problems are rectified immediately. Therefore, our Group does not expect material issues in relation to the obtaining of the annual certificates for our cleanrooms.

For the avoidance of doubt, one of the specifications set out by Customer A are to ensure that the products (mainly for the disposable cigarette sticks and refill pods) are manufactured in an ISO Class 8 cleanroom. The annual certification for the cleanrooms however, which is not requested by our customers, is a voluntary measure adopted by our Group to showcase our quality standards and provide reassurance to our customers in relation to our EMS facilities. In this regard, our Group does not foresee any implications arising from the Manufacturing and Supply Agreement with Customer A in the unlikely event that our Group does not obtain the said annual certificate for the new cleanroom facility or our existing cleanrooms. For the Period Under Review and up to the LPD, our Group has not failed to obtain the annual certificate for our cleanrooms.

Our Group expects to obtain the annual certificate for the new cleanroom facility in the fourth quarter of 2023. As at the LPD, our Group has not appointed the independent external laboratory company for the issuance of the said annual certificate.

As at the LPD, we have 2 existing cleanrooms comprising an ISO Class 8 cleanroom which houses 8 existing automated production lines and 2 automated blister packaging lines for the refill pods and another ISO Class 8 cleanroom which houses 4 semi-automated production lines for disposable cigarette sticks, being production lines which involve automation of certain assembly and filling process as well as manual handling for the in-process inspection and packing. The installation of semi-automated production lines has taken into consideration the output requirements for the production of disposable cigarette sticks.

We have earmarked approximately RM1.3 million from our proceeds raised from our Public Issue for the construction of the new cleanroom with a proposed size of approximately 14,680 sq ft. Same as with the other cleanrooms, the new ISO Class 8 cleanroom is designed to be an enclosed zone where airborne particles and pollutants are maintained at specific parameters in compliance with the maximum allowable concentration of particles inside the cleanroom. The new cleanroom would be able house the 4 new automated production lines.

With the construction of the new cleanroom facility, our total cleanroom floor space for our EMS operations is expected to increase from 18,244 sq ft as at LPD to approximately 32,924 sq ft. As at the LPD, we have not commenced the construction of the new cleanroom facility. We will initiate the construction of the new cleanroom facility in the second quarter of 2023 and expect that the new cleanroom facility will begin operations in the fourth quarter of 2023.

4. PARTICULARS OF OUR IPO (Cont'd)

Automated production lines

Our Group would be expanding its automated production lines to address the expected demand from customer for our Group's EMS operations for the electronic cigarette segment. The new automated production lines are designed to be an enhanced model with an expected monthly capacity of 1.1 million pieces per line compared to our existing model with a monthly capacity of 0.4 million pieces per line. The rationale for the new additional automated production lines is to increase our Group's capacity to meet the expected increasing demand from Customer A, premised on the rolling forecast provided to our Group as well as discussions with our customer.

The new automated production line is a customised design that consists of a series of equipment and mechanism with built-in control system to carry out assembly, filling and final product assembly as well as final testing equipment on the finished goods. We plan to commence the purchase and installation of the 4 new automated production lines in the third quarter of 2023, and we expect that our Group would be able to commence operations of the new automated production lines upon completion of the installation of the 4 new automated production lines (after the necessary acceptance tests and trial runs) in the fourth quarter of 2024.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital, internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for working capital purposes.

4.6.3 Installation of energy saving cooling system

Our Group has allocated approximately RM3.7 million or 2.4% of the proceeds from our Public Issue for the installation of the energy saving cooling system for our Senai 227 Factory in line with its cost saving efforts and potential 'green' contribution towards the environment.

The estimated cost for the installation of the energy saving cooling system will be fully funded from the proceeds raised from the Public Issue. The energy saving cooling system is expected to be fully commissioned and be operational by the second quarter of 2023.

The energy saving cooling system is a heating, ventilation and air conditioning ("HVAC") energy saving system which comprises of 21 sets of new air-handling units (AHU); 3 sets of new cooling towers (CT); 2 sets of new high efficiency chillers; 3 sets of new chilled water pump; 3 sets of new condenser water pump; the installation of a new control panel with high efficiency variable speed drive (VSD) and the installation of an energy management system for the chiller plant room as well as wiring and programming works including wiring connection with existing air conditioning equipment.

It is anticipated that the total energy savings from the HVAC will see an improvement from our current estimated total consumption of approximately 457,000 kilowatt-hours ("kWh") to approximately 260,000 kWh per month, representing savings of approximately 40%. The installation of the energy saving cooling system is aimed at achieving cost saving measures by reducing overall electricity costs, resulting in estimated energy savings of approximately RM1.0 million per annum. In addition to the cost savings, with the lower energy consumption, we can expect lower carbon emissions which is in-line with our Company's sustainability policy.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital, internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for working capital purposes.

4. PARTICULARS OF OUR IPO (Cont'd)

4.6.4 Purchase of new machinery and equipment for die cast manufacturing related services

Our Group has allocated approximately RM4.6 million or 3.0% from proceeds raised from our Public Issue to fully fund the following machinery and equipment for its die cast manufacturing related services to be located at our new Tebrau 6 Factory. Cape Manufacturing acquired the Tebrau 6 Factory, which refers to the lease over 3 pieces of land held under PTD 53893, PTD 53894 and PTD 53895, together with a detached factory erected thereon, in September 2022. Please refer to **Section 7.21.2** of this Prospectus for further information on the status of Tebrau 6 Factory.

The total cost for purchase of new machinery and equipment for die cast manufacturing related services are as follows:

Description	No. of unit	Estimated cost (RM'000)
Die casting automation using new robotic pick up and sprays	9	3,734
Computer numerical control ("CNC") lathe machines	2	500
Rotary screw air compressors	3	365
Total		4,599

Die casting automation of robotic pick and spray equipment

Apart from enhancing our Group's production capacity, our Group also intends to improve our production efficiency by automating part of its manufacturing process for its die casting operations. To achieve this, we have identified approximately RM3.7 million of our proceeds from the Public Issue to fully fund the purchase of 9 units of robotic pick up and spraying equipment to be incorporated onto the die casting machine to enable automated handling of die cast parts after the parts are formed.

The purchase of such robotic pick and spray equipment is expected to improve efficiency in the spraying of the aforementioned formed die cast parts. Currently, the spraying of formed die cast parts is manually carried out by production workers, of which, the rejection percentage is at an estimated range of 5% to 10%. The robotic pick and spray equipment is expected to reduce the rejection rate to an estimated 3%.

Additionally, the estimated cycle time is expected to improve from approximately 35 seconds to 70 seconds under the manual spray process to approximately 25 seconds to 50 seconds using the new robotic pick and spray equipment, i.e., by a range of approximately 22% to 33%, depending on the casting tonnage worked on.

The purchase of such robotic pick and spray equipment is also expected to reduce reliance on production workers. It is expected that we are able to improve efficiency and reduce our requirement for labour of 1 worker per shift instead of 2 workers per shift for each die casting production line resulting in cost savings of approximately RM62,000 per month.

As at the LPD, our Group has not incurred any costs for the said purchase of the said 9 units of robotic pick and spray equipment. We expect to commence the acquisition of the new robotic pick and spray equipment and be fully operational in the second quarter of 2023.

CNC lathe machines

Our Group intends to increase its precision machining operations through the purchase of 2 new units CNC lathe machines. Product designs for die casting requires precision dimensions which needs the involvement of machining process, making the use of CNC lathe machines necessary as part of our manufacturing process. Given that our Group currently does not own any such machines, we have therefore outsourced the specific processes relating to precision machining operations using CNC lathe machines to third parties.

4. PARTICULARS OF OUR IPO (Cont'd)

We have identified approximately RM0.5 million from the Public Issue for the purchase of 2 new units of CNC lathe machines to further enhance our precision production capacity. The 2 new CNC lathe machines are expected to have a machine output capacity estimated at 78,400 pieces per month which would reduce our Group's outsourcing cost. Based on the existing estimated orders from our Group's customers as at the LPD, the average estimated outsourcing costs is approximately RM0.9 million per annum. The purchase of the CNC lathe machines will enable full cost savings in the event our Group purchases the 2 new units of CNC lathe machines. Such estimated cost savings had been arrived at based on the assumption that our customers do not require all the various works requiring lathe machining to be undertaken simultaneously. If such works are required to be undertaken and completed at the same time, the use of 2 new CNC lathe machines may not be sufficient to carry out the processing works required by Cape Manufacturing. As such, our Group may still be required to outsource such process.

As at the LPD, our Group has not incurred any costs for the said purchase of the 2 new CNC lathe machines. We expect to commence the acquisition of the new CNC lathe machines and be fully operational in the second quarter of 2023. The new CNC lathe machines are to be fully funded through our IPO Proceeds.

Rotary screw air compressors

In line with enhancing our operational facilities, we have also identified the purchase of 3 new 100 horsepower rotary screw air compressors costing approximately RM0.4 million to be wholly funded from proceeds raised from Public Issue. The new rotary screw air compressors are to be located in our Tebrau 6 Factory and will be expected to cater for the entire production area of the factory operating 24 hours a day in 2 shifts.

Generally, rotary screw air compressors are regarded as energy conservers which operates by trapping air between 2 meshed rotors and reducing the volume of that trapped air as it moves down through the rotors, which can be used to generate air power using air pressure. The said rotary screw air compressors allow compressed air power (being air that is pressurised to greater than atmospheric pressure into a smaller space) for use in our production process such as screw assembly equipment.

It is expected that the energy consumption cost savings from using the 3 new rotary screw air compressors is approximately 24% higher as compared to the energy consumption cost savings from using 3 piston air compressors and the estimated energy consumption cost savings is approximately RM13,100 per annum.

As at the LPD, our Group has not incurred any costs for the purchase of the said 3 new rotary screw air compressors. We expect to commence the acquisition of the new rotary screw air compressors and be operational in the second quarter of 2023.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital, internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for working capital purposes.

4. PARTICULARS OF OUR IPO (Cont'd)

4.6.5 Working capital

Our Group's working capital requirements are expected to increase in tandem with the expected growth in our business. We anticipate a working capital requirement of approximately RM20.5 million or 13.2% of our Public Issue proceeds.

The following is the breakdown of the expected utilisation of proceeds for our working capital:

Details	RM'000	%
Purchase of input materials for our EMS operations	15,000	73.2
General working capital	5,498	26.8
Total	20,498	100.0

A total of approximately RM15.0 million out of working capital will be used to finance purchase of input materials for our EMS operations. The input materials used by us for our EMS operations include (i) E&E parts and components such as PCBA and electronic components such as components for portable credit card readers and wireless data gathering systems; (ii) mechanical parts; (iii) packaging and related materials; and (iv) others which mainly include magnets, shielding materials, equipment such as sealer, laser printer, laser marking machine and calibration equipment, forklift rental as well as hardware. Please refer to **Section 7.14** of this Prospectus for the list of input materials utilised by our Group. The allocation of the purchase of each category of input material cannot be determined at this juncture. We have budgeted the input material purchase with reference to the average historical cost of input material purchase during the FYE 2021 that we require for our operations with the expected growth in our business.

Our Group plans to utilise the balance RM5.5 million working capital for its day-to-day operations, which include, among others, defrayment of administrative expenses, and our distribution costs consisting mainly of freight and handling related costs. With the working capital of RM20.5 million, our Group is able to reduce its reliance on internally generated funds as well as the use of bank borrowings.

If the actual cost of purchase of input materials for our EMS operations exceeds the earmarked amount, the shortfall will be funded from the amount allocated for general working capital, internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for general working capital purposes.

4.6.6 Estimated listing expenses

Our listing expenses are estimated to be approximately RM11.0 million or 7.0% of the proceeds from the Public Issue, details of which are as follows:

	RM'000
Professional fees	4,673
Fees payable to authorities	604
Brokerage, underwriting and placement fees	3,522
Fees and expenses for printing, advertising and roadshow	1,100
Miscellaneous expenses and contingencies	1,101
Total	11,000

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital and/or internally generated funds. However, if the actual cost of the above planned utilisation is lower than earmarked amount, the surplus will be used for working capital purposes.

4. PARTICULARS OF OUR IPO (Cont'd)

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM78.0 million will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own expenses including, but not limited to, the placement fee in relation to the Offer for Sale which is estimated to be approximately RM1.6 million.

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Consolidated Statements of Financial Position as at 30 September 2022 set out in **Section 12.8** of this Prospectus.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE**4.7.1 Brokerage fee**

We will pay brokerage fee in respect of our Issue Shares under the Retail Offering, at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of successful applicants which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

The Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

Our Joint Underwriters have agreed to underwrite for a total of 54,200,000 IPO Shares made available for application by the Malaysian Public. We are obligated to pay our Joint Underwriters the underwriting commission at the rate of 2.0% (exclusive of applicable tax) of the Retail Price multiplied by the total number of IPO Shares underwritten under the Retail Offering in accordance with the terms of the Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Bookrunners a selling commission and placement fee of 2.0% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to institutional and selected investors in accordance with the terms of the Placement Agreement.

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4. PARTICULARS OF OUR IPO (Cont'd)

4.8 DETAILS OF THE UNDERWRITING AND PLACEMENT

4.8.1 Underwriting

We have entered into the Underwriting Agreement with the Joint Underwriters to severally, i.e. not (i) jointly or (ii) jointly and severally, underwrite 54,200,000 IPO Shares ("**Underwritten Shares**") under the Retail Offering as set out in **Section 4.2.2** of this Prospectus, subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus and upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The following salient terms of the Underwriting Agreement are reproduced from the Underwriting Agreement. The terms and numbering references used herein shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

The obligations of the Joint Underwriters under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:

- (a) all approvals, authorisations, orders, consents, exemptions and waiver required in relation to the IPO, the Listing having been obtained and being in full force and effect up to the last date and time for the receipt of applications and payment for the Retail Offering in accordance with the Prospectus and the Application Form(s) or any such date as may be extended from time to time by our Company together with the mutual agreement of the Joint Underwriters in writing, subject to the prior written approval of the relevant authorities, if required ("**Closing Date**"), the date of delivery of the Applications Form(s) together with the remittance of subscription monies payable on the application of the unsubscribed Shares by the Joint Underwriters ("**Settlement Date**") and Listing date and that all conditions of the approvals have been complied with;
- (b) the offer and issuance of the IPO Shares having been approved by the shareholders of our Company;
- (c) the lodging with the Registrar of Companies of Malaysia of a copy of the Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA together with copies of all documents required under the CMSA;
- (d) the registration with the SC of the Prospectus and the submission to the SC of accompanying documents on or before their issue, circulation or distribution to the public;
- (e) the Prospectus being issued not later than 16 February 2023 or such later date as may be agreed by the Joint Underwriters;
- (f) the Joint Underwriters being satisfied that our Company will be admitted to the Official List and its issued and paid-up share capital will be listed and quoted on the Main Market of Bursa Securities without undue delay;
- (g) the delivery of the signed legal opinion addressed to the Joint Underwriters to be issued by the legal adviser to the Joint Underwriters in a form and substance satisfactory to the Joint Underwriters on the Closing Date;
- (h) the execution of the letters of undertaking provided by AOF, Fortress, Tee Kim Chin and Tee Kim Yok, dated 27 June 2022 and 29 June 2022 respectively, undertaking that they will not sell, transfer or assign their entire shareholdings in our Company for a period of six (6) months from the Listing Date ("**Letters of Undertaking**") and none of the Letter of Undertaking having been terminated or rescinded pursuant to the provisions thereof and each remaining in full force and effect and no breach in respect of any of such Letters of Undertaking has occurred;

4. PARTICULARS OF OUR IPO (Cont'd)

- (i) the 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;
- (j) there not being, on or prior to the Closing Date and/or Settlement Date, any change or any development involving a prospective event, change, development or occurrence, or series of events, changes, development or occurrences, which in the Joint Underwriters' reasonable opinion, that will or is likely to prejudice or would have or can reasonably be expected to have a material adverse effect or change, whether individually or in the aggregate and whether or not arising in the ordinary course of business: (i) on the condition (financial or otherwise) general affairs, management, shareholders' equity, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company or our Group; (ii) on the ability of our Company, the Group and/or the Selling Shareholders to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by, The Prospectus and/or the Application Forms and any supplement or amendment thereto, the Placement Agreement or the Underwriting Agreement; or (iii) on the IPO ("**Material Adverse Effect**");
- (k) there not having occurred on or prior to the Closing Date and/or Settlement Date, any event or discovery of fact or circumstances rendering untrue, inaccurate or incorrect any of the representations, warranties and undertakings of our Company under the Underwriting Agreement;
- (l) there not having occurred on or prior to the Closing Date and/or Settlement Date, any breach of and/or failure to perform any of the representations, warranties and undertakings by our Company contained in the Underwriting Agreement; and
- (m) the delivery to the Joint Underwriters on the Closing Date and Settlement Date, respectively a certificate in the agreed form of our Company set out in the Underwriting Agreement, 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; and (iii) the allotment and issuance of the Retail Offering under the IPO are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia.

Notwithstanding anything contained in the Underwriting Agreement, the Joint Underwriters, may by notice in writing to our Company given at any time before the Listing Date, terminate, cancel and withdraw the commitment of each Joint Underwriter to subscribe and/or procure subscribers for the Underwritten Shares which are not taken up or not duly applied for on the Closing Date ("**Underwriting Commitment**") if in the opinion of the Joint Underwriters:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings set out in the Underwriting Agreement or which is contained in any certificate under or in connection with the Underwriting Agreement in any respect; and in either event, where such misrepresentation or breach is capable of remedy, the same not being remedied within five (5) Market Days or on such other day which the parties to the Underwriting Agreement 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 the Joint Underwriters;

4. PARTICULARS OF OUR IPO (Cont'd)

- (b) without prejudice to the sub-clause above, there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement;
- (c) there is withholding of information from the Joint Underwriters which would have or is likely to give rise to a Material Adverse Effect;
- (d) there shall have occurred, or happened any other event in which Material Adverse Effect having occurred or are likely to occur;
- (e) any statement contained in the Prospectus and/or the Application Form and any supplement or amendment thereto has become or been discovered to be untrue, inaccurate or misleading in any respect;
- (f) matters have arisen or have been discovered which would, if the Prospectus and/or the Application Form and any supplement or amendment thereto were to be issued at that time, constitute a material omission therefrom;
- (g) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Underwriters by reason of Force Majeure which would have or can reasonably be expected to have, a Material Adverse Effect 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 or Group and/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 reasonably be expected to have a Material Adverse Effect.

“Force Majeure” means causes which are unpredictable and beyond the reasonable control of the party or parties to the Underwriting Agreement claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to (i) introduction of or public announcement to introduce any new law or regulation or policy or any change in existing laws or regulations or policies (or the judicial interpretation thereof) or any other similar event which has or is likely to have a Material Adverse Effect; and (ii) any act or acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, revolution, riot, looting or other labour disputes, natural catastrophe, earthquake, typhoon, acts of warfare, sabotages, outbreak of war, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for the Joint Underwriters to perform their obligations under the Underwriting Agreement, acts of terrorism or the declaration of a state of national emergency;

- (h) any government requisition or other occurrence of any nature whatsoever which would have or is likely to have a Material Adverse Effect;
- (i) 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 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 the Listing date, lower than 80%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (j) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;

4. PARTICULARS OF OUR IPO (Cont'd)

- (k) 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 the Listing or which is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (l) any part of the IPO is stopped or delayed by our Group/Company, the Selling Shareholders or the regulatory authorities for any reason whatsoever;
- (m) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of their directors or associates, which causes, or is likely to give rise to, a Material Adverse Effect or makes it impracticable to market the IPO or to enforce contracts to allot and/or transfer the IPO Shares;
- (n) the Listing does not take place on or before 10 March 2023 or such other extended date as may be agreed by the Joint Underwriters;
- (o) the execution of the Placement Agreement has not taken place by 27 February 2023 or such other extended date as may be agreed by the Joint Underwriters;
- (p) the Placement Agreement not having been terminated or rescinded in accordance with the terms thereof or any of the conditions precedent set forth in the Placement Agreement not having been satisfied in full or to the extent not satisfied as such, waived by the Placement Agents therein in accordance with its terms;
- (q) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Joint Underwriters; or
- (r) the Closing Date does not take place on or before 24 February 2023 or any later date which is approved by the Joint Underwriters in writing.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Bookrunners in relation to the placement of 205,500,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in **Section 4.2.3** of this Prospectus. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Underwriting Agreement as set out in **Section 4.8.1** of this Prospectus.

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

4. PARTICULARS OF OUR IPO (Cont'd)

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

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Application for our IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

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

Promoters and Substantial Shareholders	Nationality / Country of Incorporation	Before our IPO		After our IPO	
		Direct	Indirect	Direct	Indirect
		No. of Shares	(1)(%)	No. of Shares	(2)(%)
Promoters and Substantial Shareholders					
Tee Kim Chin	Malaysian	(3)450,000,000	60.0	(3)374,500,000	40.6
Tee Kim Yok	Malaysian	(4)138,750,000	18.5	(4)127,550,000	13.8
Substantial Shareholder					
Fortress	Malaysia	(5)153,187,500	20.4	(5)153,187,500	16.6

Notes:

- (1) Based on our issued Shares before our IPO of 750,000,000 Shares following the Pre-IPO Restructuring Exercise, details of which are set out in **Section 6.1.1** of this Prospectus.
- (2) Based on our enlarged issued Shares after our IPO of 923,000,000 Shares.
- (3) Tee Kim Chin has provided 2 pledges over her entire shareholding of 450,000,000 Shares in favour of (i) Ambank Islamic Berhad (“**AmIslamic Bank**”) for a Murabahah Tawarruq Term Financing-i (“**AmIslamic Facility**”), she obtained and (ii) Ambank (M) Berhad (“**Ambank**”) for a term loan obtained by Tee Kim Yok (“**Ambank Facility**”) as described in Note (4) below and in Note (3) of **Section 5.2.3(iii)** of this Prospectus. The pledge to Ambank ranks after the pledge over her entire shareholding of 450,000,000 Shares in favour of Amsec Nominees (Tempatan) Sdn Bhd. 75,500,000 Shares of Tee obtained. The pledged Shares will be held in separate accounts in the name of Amsec Nominees (Tempatan) Sdn Bhd. 75,500,000 Shares of Tee Kim Chin's entire shareholding has been released to facilitate the Offer for Sale. The remaining 374,500,000 Shares will continue to be pledged to AmIslamic Bank and Ambank. The pledge in favour of AmIslamic Bank will be uplifted upon settlement of the AmIslamic Facility by Tee Kim Chin using part of the proceeds from the Offer for Sale. The pledge in favour of Ambank will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok using the gross proceeds raised from the Offer for Sale after the Proposed Listing. Tee Kim Chin's pledges will not impact the moratorium.

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

- (4) Tee Kim Yok has provided a pledge over her entire shareholding of 138,750,000 Shares in favour of Ambank for the Ambank Facility, of which, 11,200,000 Shares has been released to facilitate the Offer for Sale. The remaining 127,550,000 Shares will continue to be pledged to Ambank. The said pledge will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok using the gross proceeds raised from the Offer for Sale after the Proposed Listing. Tee Kim Yok's pledge will not impact the moratorium.
- (5) Held by Fortress on trust for its clients who are the beneficial owners of the Shares.

The Shares held by our Promoters and substantial shareholders do not have different voting rights from our other shareholders. Save for the above, there are no other persons who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between our Company and the Promoters and our substantial shareholders with any third party which may result in a change in control of our Company at a date subsequent to our IPO and our Listing.

5.1.2 Profiles of Promoters and substantial shareholders

(i) Tee Kim Chin

Promoter, substantial shareholder and Non-Independent Managing Director/Group Chief Executive Officer

Tee Kim Chin, female, a Malaysian aged 55, is our Promoter, substantial shareholder and a member of the Risk Management Committee. She was appointed to our Board on 31 May 2013. She is our Managing Director/Group Chief Executive Officer and is primarily responsible for the overall strategy and corporate direction of our Group.

She obtained a Malaysian Higher School Certificate (STPM) in 1987. She also attended the Research and Advanced Study on Leadership at the School of Continuing Education, Tsinghua University, China in 2014.

She began her career in A&W (M) Sdn Bhd in 1988 as a management trainee and was later promoted to Marketing Assistant (1989), Personal Assistant to General Manager (1991) and finally as Ipoh Outlet Assistant Manager (1991).

In 1992, she left A&W (M) Sdn Bhd and joined Jangta Electronics (M) Sdn Bhd as a Storekeeper. She rose up the ranks to be the General Manager in 1999 where she was responsible for, amongst others, overseeing production planning, manpower planning, manufacturing management, business forecasts, company performance review and business development.

In 2002, she resigned from Jangta Electronics (M) Sdn Bhd and joined Crestar Printer (M) Sdn Bhd in the same year as General Manager where she was responsible for overseeing the company's operations which included reviewing the company's performance, business development, preparing business forecast and budgetary summary as well as reporting to the board of directors.

In 2004, she left Crestar Printer (M) Sdn Bhd and joined P.T Ultrakindo Crestec Indonesia, Indonesia as Managing Director responsible for the management of the factory and its manufacturing process as well as reporting to the board of directors. P.T Ultrakindo Crestec Indonesia, Indonesia was principally involved in printing of instruction manuals, warranty books and carton boxes.

In 2006, she left P.T Ultrakindo Crestec Indonesia, Indonesia to join Toyoplas Holdings Pte Ltd, Singapore as a director. She was tasked to oversee the entire management and operation of various Toyoplas' factories. Toyoplas Holdings Pte Ltd, Singapore, is principally involved in investment holding, commission agents and management services. In 2007, she was appointed as the director and Chief Executive Officer of Toyoplas

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

In 2007, she was appointed as the director and Chief Executive Officer of Toyoplas Manufacturing (M) Sdn Bhd, which was principally involved in manufacturing of plastic injection moulding, tooling and die-casting. In 2010, she was appointed as a director and Chief Executive Officer of Toyoplas EMS Manufacturing (M) Sdn Bhd (a company with common shareholder, namely Lim Lai An, as that of Toyoplas Manufacturing (M) Sdn Bhd in 2011⁽¹⁾), which was principally involved in assembling and manufacturing of electronic components and printed circuit boards. In 2012, she resigned as director of Toyoplas Manufacturing (M) Sdn Bhd. In 2013, she resigned as director of Toyoplas Holdings Pte Ltd, as well as director and Chief Executive Officer of Toyoplas EMS Manufacturing (M) Sdn Bhd respectively.

Note:

- (1) Tee Kim Chin was the Chief Executive Officer, a shareholder and a director during her employment with Toyoplas EMS Manufacturing (M) Sdn Bhd and Toyoplas Manufacturing (M) Sdn Bhd. Tee Kim Chin does not have any family relationship with Lim Lai An.

In 2013, she and Alex Miranda Juntado acquired the entire equity interest in Toyoplas EMS Manufacturing (M) Sdn Bhd (subsequently renamed as Cape EMS Manufacturing (M) Sdn Bhd). She then assumed the role as Chief Executive Officer of Cape EMS. In 2021, she assumed her present role as our Managing Director/Group Chief Executive Officer.

In 2013, when she was appointed as a director of Cape Manufacturing, she did not hold any equity interest therein. In July 2014, she acquired 23.1% equity interest in Cape Manufacturing and subsequently, up to 2019, increased her equity interest to 68.0% in Cape Manufacturing. She was appointed as a director of Cape Singapore in 2014 and acquired a 60.0% equity interest in Cape Singapore in 2015.

In September 2021, she was appointed as the President of the Malaysian International Chamber of Commerce and Industry ("**MICCI**"), a position which she still holds as at the LPD. She is the winner of the Star Outstanding Business Award (SOBA) 2021 for Meritorious Achievement under the Female Entrepreneur of the Year category organised by Star Media Group Bhd. She is also a winner of the World Chinese Outstanding Woman Business Leader Award at the 2022 Global Chinese Economic and Technology Summit.

(ii) Tee Kim Yok

Promoter, substantial shareholder and Non-Independent Executive Director

Tee Kim Yok, female, a Malaysian aged 45, is our Promoter and substantial shareholder. She was appointed to our Board on 23 November 2020. She is also our Executive Director and is primarily responsible for government liaison and corporate social responsibility (CSR), and environment, social and governance of our Group.

She obtained a Malaysian Certificate of Education (SPM) in 1995.

She began her career in 1995 as an Administrative and Sales Coordinator with Langkah Bersatu (M) Sdn Bhd. She left Langkah Bersatu (M) Sdn Bhd in 2000 and joined Ornapaper Industry (Perak) Sdn Bhd as a Sales Executive. She was involved in the sales and marketing functions and assisted in building a new customer base for the company.

Subsequently, in 2003, she left Ornapaper Industry (Perak) Sdn Bhd to join Astin Resources Sdn Bhd as an Assistant Manager responsible for, amongst others, sales and marketing and leading the sales team. She left the company in 2008 and took a career break for personal reasons.

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

In 2010, she joined Digital Innovation Technologies (M) Sdn Bhd as a Sales Representative responsible for sales and marketing. She left the company in 2012 to set up her own business Eyetech Solutions selling office equipment such as photocopiers and security devices. She closed her sole proprietorship business in 2021.

In 2016, she set up a kindergarten business under Good Hope Edu Sdn Bhd (formerly known as Cape Smart Edu Sdn Bhd) and was the director of the company. Good Hope Edu Sdn Bhd (formerly known as Cape Smart Edu Sdn Bhd) was principally involved in pre-primary education, tuition centre and child day-care services, trading in books and stationery and trading in educational toys. It was subsequently sold in 2022.

In 2019, she joined Diamond Star Biotechnology Sdn Bhd as Finance/Human Resource Manager responsible for salary/payroll. In the same year, she left Diamond Star Biotechnology Sdn Bhd and joined our Company as the Accounts Payable Manager.

In 2020, she was appointed as our Director and a director of our subsidiary, Cape Manufacturing.

(iii) Fortress Capital Asset Management (M) Sdn Bhd Substantial shareholder

Fortress, a company incorporated on 19 November 2002 as a private limited company in Malaysia under the Act, is a substantial shareholder of our Company. The principal activity of Fortress is asset management.

Fortress holds a capital markets services licence granted by the SC to carry out fund management in relation to portfolio management. As at the LPD, there are 9 licensed representatives of Fortress who are responsible for the management of its investment portfolios.

As at the LPD, the issued share capital of Fortress is RM2,300,000.00 comprising of 2,030,000 ordinary shares.

The directors of Fortress as at the LPD are Datuk Yong Peng Tak, Loo Kok Yuen and Geoffrey Ng Ching Fung.

The shareholders of Fortress and its respective direct and indirect shareholdings in Fortress as at the LPD is as follows:

Substantial shareholder	Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)
Fortress Capital Management (M) Sdn Bhd	2,030,000	100.0	-	-
Datuk Yong Peng Tak	-	-	(1)2,030,000	100.0
Loo Kok Yuen	-	-	(1)2,030,000	100.0

Note:

- (1) Deemed interested pursuant to his/her substantial shareholdings in Fortress Capital Management (M) Sdn Bhd pursuant to Section 8 of the Act.

As at the LPD, Fortress does not have any subsidiary or associated company.

Fortress holds the Shares on trust for its clients, who are the beneficial owners of the Shares. Fortress has full authority, power and discretion to exercise, on behalf of its clients, all voting and other rights relating to the securities held as part of the investment portfolios. As at the LPD, there are a total of 61 clients that have invested in our Group via Fortress (“Investors”). The Investors are diversely owned by Malaysian, foreigners, local and foreign companies.

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

Fortress' participation in our Company, being one of their investee companies, is solely for financial investment purposes only. Fortress and the Investors are not involved in the day-to-day management and operations of our Group, and they do not have control on the direction, allocation and usage of our Group's financial resources.

The Investors do not have any family relationship with the Directors, Promoters, substantial shareholders and Key Senior Management. The Directors, Promoters, substantial shareholders and Key Senior Management do not have any interest in the Shares owned by the ultimate beneficial owner of the Investors, which are held via Fortress.

The Investors' respective shareholdings in Cape EMS via Fortress is relatively small, ranging from 0.03% to 2.63% before our Listing, and 0.02% to 2.14% upon our Listing. As such, none of them are/will be promoters or substantial shareholders of our Company on an individual basis.

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

5.1.3 Changes in shareholdings

Save for the Pre-IPO Restructuring Exercise as detailed in **Section 6.1.1** of this Prospectus and as disclosed below, there has been no change in the Promoters' and our substantial shareholders' shareholdings in our Company for the past 3 years preceding the LPD:

Promoters and Substantial Shareholders	As at 31 December 2019		As at 31 December 2020		As at 31 December 2021	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares	(¹)(%)	No. of Shares	(²)(%)	No. of Shares	(²)(%)
Promoters and Substantial Shareholders						
Tee Kim Chin	12,000,000	60.0	-	-	30,000,000	75.0
Tee Kim Yok	-	-	-	-	10,000,000	25.0
Substantial Shareholders						
Alex Miranda Juntado	8,000,000	40.0	-	-	-	-
Fortress	-	-	-	-	-	-

Promoters and Substantial Shareholders	As at 31 December 2022		As at the LPD	
	Direct	Indirect	Direct	Indirect
	No. of Shares	(³)(%)	No. of Shares	(³)(%)
Promoters and Substantial Shareholders				
Tee Kim Chin	(⁴)450,000,000	60.0	(⁴)450,000,000	60.0
Tee Kim Yok	(⁵)(⁶)138,750,000	18.5	(⁵)(⁶)138,750,000	18.5
Substantial Shareholders				
Alex Miranda Juntado	-	-	-	-
Fortress	(⁶)(⁷)153,187,500	20.4	(⁷)153,187,500	20.4

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

Notes:

- (1) Based on our total issued Shares of 20,000,000 Shares.
- (2) Based on our total issued Shares of 40,000,000 Shares.
- (3) Based on our total issued Shares before our IPO of 750,000,000 Shares following the Pre-IPO Restructuring Exercise, the details of which are set out in **Section 6.1.1** of this Prospectus.
- (4) Tee Kim Chin has provided 2 pledges over her entire shareholding of 450,000,000 Shares in favour of (i) Ambank Islamic Berhad (“**Amlislamic Bank**”) for a Murabahah Tawarruq Term Financing-i (“**Amlislamic Facility**”) she obtained and (ii) Ambank (M) Berhad (“**Ambank**”) for a term loan obtained by Tee Kim Yok (“**Ambank Facility**”) as described in Note (5) below and in Note (3) of **Section 5.2.3(iii)** of this Prospectus. The pledge to Ambank ranks after the pledge over her entire shareholding of 450,000,000 Shares in favour of Amlislamic Bank for the Amlislamic Facility she obtained. The pledged Shares will be held in separate accounts in the name of Amsec Nominees (Tempatan) Sdn Bhd. 75,500,000 Shares of Tee Kim Chin’s entire shareholding has been released to facilitate the Offer for Sale. The remaining 374,500,000 Shares will continue to be pledged to Amlislamic Bank and Ambank. The pledge in favour of Amlislamic Bank will be uplifted upon settlement of the Amlislamic Facility by Tee Kim Chin using part of the proceeds from the Offer for Sale. The pledge in favour of Ambank will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok after the Proposed Listing. Tee Kim Chin’s pledges will not impact the moratorium.
- (5) Tee Kim Yok has provided a pledge over her entire shareholding of 138,750,000 Shares in favour of Ambank for the Ambank Facility, of which, 11,200,000 Shares has been released to facilitate the Offer for Sale. The remaining 127,550,000 Shares will continue to be pledged to Ambank and held in separate accounts in the name of Amsec Nominees (Tempatan) Sdn Bhd. The said pledge will be uplifted upon full settlement of the Ambank Facility by Tee Kim Yok using the gross proceeds raised from the Offer for Sale after the Proposed Listing. Tee Kim Yok’s pledge will not impact the moratorium.
- (6) On 28 June 2022, Fortress acquired 10,687,500 Shares from Tee Kim Yok which had been valued at RM2,416,257 from Tee Kim Yok pursuant to the Shareholding Restructuring with Fortress and AOF.
- (7) The changes in Fortress’ holdings of ICPS in our Company for the past 3 years preceding the LPD are set out below:

Substantial Shareholder	As at 31 December 2019		As at 31 December 2020		As at 31 December 2021	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of ICPS	(a)(%)	No. of ICPS	(a)(%)	No. of ICPS	(a)(%)
Fortress	-	-	-	-	57,000,000	95.0
	As at 31 December 2022		As at the LPD			
	Direct		Direct			
	Indirect		Indirect			
Substantial Shareholder	No. of ICPS	(a)(%)	No. of ICPS	(a)(%)	No. of ICPS	(a)(%)
Fortress	-	-	-	-	-	-

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

Note:

(a) Based on our total issued ICPS of 60,000,000 ICPS.

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

Save for the dividends declared to our Promoters and substantial shareholders as set out in **Section 12.7** of this Prospectus and the aggregate amounts or benefits paid or intended to be paid or given to our Promoters and substantial shareholders for services rendered to our Group in all capacities as set out in **Section 5.2.4** of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid or given to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

Our Company has no intention to declare any further dividends up to the completion of the Listing.

5.2 BOARD OF DIRECTORS

Our Board as at the LPD and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Name	Designation	Age (years)	Date of appointment	Date of expiration of the current term of office	Duration in office ⁽¹⁾
Datuk Mohd Rabin Bin Basir (M)	Independent Non-Executive Chairman	60	5 May 2022	At the AGM in the year of 2022 ⁽²⁾	7 months
Tee Kim Chin (F)	Non-Independent Managing Director/Group Chief Executive Officer	55	31 May 2013	At the AGM in the year of 2022 ⁽³⁾⁽⁴⁾	9 years 7 months
Tee Kim Yok ⁽⁵⁾ (F)	Non-Independent Executive Director	45	23 November 2020	At the AGM in the year of 2022 ⁽²⁾ and 2023 ⁽³⁾	2 years 1 month
Lim Chue Wan ⁽⁵⁾ (F)	Non-Independent Executive Director	55	16 March 2022	At the AGM in the year of 2022 ⁽²⁾ and 2023 ⁽³⁾	9 months
Alex Miranda Juntado (M)	Non-Independent Executive Director	59	31 May 2013	At the AGM in the year of 2023 ⁽³⁾⁽⁴⁾	9 years 7 months
Tan Sik Hui (F)	Senior Independent Non-Executive Director	49	5 May 2022	At the AGM in the year of 2022 ⁽²⁾	7 months

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

Name	Designation	Age (years)	Date of appointment	Date of expiration of the current term of office	Duration in office⁽¹⁾
Yau Yin Wee (M)	Independent Non-Executive Director	65	5 May 2022	At the AGM in the year of 2022 ⁽²⁾	7 months
Chen Kok Seng (M)	Independent Non-Executive Director	68	5 May 2022	At the AGM in the year of 2022 ⁽²⁾	7 months
Koh Beng San (M)	Independent Non-Executive Director	48	5 May 2022	At the AGM in the year of 2022 ⁽²⁾	7 months

Notes:

(M) Male.

(F) Female.

(1) As at the LPD.

(2) In accordance with our Constitution, the new Director duly appointed by the Directors shall hold office only until the next following annual general meeting, and he shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. This is provided always that the new additional Directors shall retire from office at the next following annual general meeting. The new Directors shall hold their office until the close of the next following annual general meeting.

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

(4) For the avoidance of doubt, Tee Kim Chin's last re-election was on 30 June 2016 while Alex Miranda Juntado's last re-election was on 17 June 2017 in accordance with our Constitution which had been in effect at the time. After the amendment of our Constitution on 8 December 2017, between 2018 and 2021, Tee Kim Chin and Alex Miranda Juntado had not been subject to re-election as no Director was required to retire from our Board unless otherwise determined by our then shareholders. Subsequent to further amendment of our Constitution on 5 May 2022, Tee Kim Chin had been subjected to retirement and thereafter re-election by rotation at our AGM in year 2022, in view that her last re-election had been earlier than Alex Miranda Juntado, our other longest serving Director, in accordance to the provision of our current Constitution as set out in Note (3) above. In view that the 1/3 requirement as set out in Note (3) above had been met in 2022, through the retiring and re-election of Tee Kim Chin, the retirement and re-election of Alex Miranda Juntado will only be in 2023.

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

- (5) Tee Kim Yok was appointed to our Board on 23 November 2020 after the amendment of our Constitution on 8 December 2017. Between 2020 to 2021, Tee Kim Yok had not been subject to re-election as no Director was required to retire from our Board unless otherwise determined by our then shareholders pursuant to our Constitution which had been in effect at the time. Lim Chue Wan was appointed to our Board on 16 March 2022. Both Tee Kim Yok and Lim Chue Wan were subject to re-election at our AGM in year 2022 in accordance to the provision of our Constitution as set out in Note (2) above.

In addition, both Tee Kim Yok and Lim Chue Wan will be subject to retirement by rotation at least once every 3 years at our AGM in year 2023, in accordance with another provision of our Constitution as set out in Note (3) above. In accordance with our Constitution, the Directors to retire by rotation in each year shall be those who have been longest in office since their last election. However, between Directors that are appointed on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by balloting.

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

None of our Directors represent any corporate shareholder on our Board. For details on the association of family relationship between our Promoters, Directors and Key Senior Management, please refer to **Section 5.6** of this Prospectus.

5.2.1 Profiles of Directors

Save for the profiles of Tee Kim Chin and Tee Kim Yok as set out in **Section 5.1.2** of this Prospectus, the profiles of our other Directors are as follows:

- (i) **Datuk Mohd Rabin Bin Basir**
Independent Non-Executive Chairman

Datuk Mohd Rabin Bin Basir, male, a Malaysian aged 60, is our Independent Non-Executive Chairman. He was appointed to our Board on 5 May 2022.

He graduated with a Bachelor of Arts in Southeast Asia Studies from University of Malaya in 1985. He later obtained a Diploma in Public Service Training from the Public Service Administration Centre in 1988. He obtained his Master of Arts (Defence Studies) (Honours) at the Universiti Kebangsaan Malaysia in 2006.

In 1985, after completing his studies, he began his career in Asia Commercial Finance (M) Berhad in the Statistic Department where he was assigned to prepare the statistical reports for the management of Asia Commercial Finance and to government agencies. He left Asia Commercial Finance in 1986 to further his studies in diploma.

After completing his diploma in 1988, he joined the Research Division of the Prime Minister's Department ("**PMD**") as Assistant Director. He was responsible for social and security affairs. From 1991 to 1993, he was posted to the Embassy of Malaysia in Phnom Penh, Cambodia as the Second Secretary. He then returned to Malaysia and assumed his original designation as the Assistant Director of the Research Division, PMD from 1993 to 1997.

Subsequently, in 1997 he was posted to Embassy of Malaysia in Yangon, Myanmar as the First Secretary. He returned to Malaysia in 2003 and was promoted to Deputy Director of the Research Division, PMD. In 2004, he was once again posted to Sydney, Australia as a Special Officer to the Embassy of Malaysia in Sydney.

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

He took study leave in 2005 to pursue a Master degree as mentioned above. After completing his Master degree in 2006, he was posted to the High Commission of Malaysia in New Delhi, India as the Consular. He returned to Malaysia in 2011 and was promoted to Principal Assistant Director of the Research Division, PMD. Subsequently, in 2012, he was promoted to Director of the Research Division, PMD. His responsibilities as the Director of the Research Division, PMD includes overseeing the social and security affairs department.

In 2017, he was appointed as the Director of Strategic Communication Department under the Malaysian National Security Council, PMD. He was mainly responsible for overseeing national security affairs. Subsequently in 2018, he was promoted to Deputy Director General of the Malaysian National Security Council, PMD. In 2019, he was again promoted to Director General of the Malaysian National Security Council, PMD. He was tasked to oversee national security.

In 2021, he left the Malaysian National Security Council to join the Legal Affairs Department, PMD as the Director General. He was mainly responsible for overseeing national legal affairs.

Datuk Mohd Rabin Bin Basir retired from his position as the Director General of the Legal Affairs Department, PMD in April 2022 after over 34 years of governmental service.

(ii) **Lim Chue Wan** *Non-Independent Executive Director*

Lim Chue Wan, female, a Malaysian aged 55, is our Non-Independent Executive Director. She was appointed to our Board on 16 March 2022 and is primarily responsible for overseeing our Group's corporate, finance, treasury and accounting matters.

She obtained a Malaysian Higher School Certificate (STPM) in 1988 and graduated with Bachelor of Arts (Economics) (Honours) from University of Malaya in 1994.

She began her career in 1994 as a Branch Officer with United Merchant Finance Berhad where she was responsible for the overall daily operation of the branch which included the opening of bank accounts for customers, monitoring loan documentation, preparing monthly reports and daily cash balancing reports.

In 1996, she left United Merchant Finance Berhad to join Bestwind Pte Ltd, Singapore, as an Accounts and Administrative Executive. She was responsible for the overall general administrative matters and the preparation of accounts for the company.

She left Bestwind Pte Ltd, Singapore in 1997 to join Romewell (M) Sdn Bhd as an Accounts and Administrative Executive responsible for general administrative and human resource matters, preparation of accounts for the company and liaising with the auditors and bankers. She left Romewell (M) Sdn Bhd in 2000 to join Aiwa IPC (M) Sdn Bhd as an Accounts and Administrative Assistant Manager responsible for accounts and administrative matters. In 2002, Aiwa IPC (M) Sdn Bhd was acquired by Sony Logistics (Malaysia) Sdn Bhd (now known as Sony Supply Chain Solutions (Malaysia) Sdn Bhd) and she assumed the position of Senior Officer with Sony Logistics (Malaysia) Sdn Bhd.

In 2003, she left Sony Logistics (Malaysia) Sdn Bhd to join Gapsoft Nonwoven (Malaysia) Sdn Bhd as the Finance Manager responsible for overseeing finance, accounts, human resource and administrative matters. She left Gapsoft Nonwoven (Malaysia) Sdn Bhd in 2004 and joined TN-Richland Logistics Services Sdn Bhd in 2005 as the Finance, Human Resource and Administrative Manager. She assumed similar responsibilities as her previous position in Gapsoft Nonwoven (Malaysia) Sdn Bhd. She was subsequently promoted to Senior Finance, Human Resource and Administrative Manager in 2006.

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

In 2008, she left TN-Richland Logistics Services Sdn Bhd and joined Toyoplas Manufacturing (Dongguan) Co. Ltd, China as the Deputy General Manager (Accounts, Finance, Administrative, Human Resource and Procurement Division) responsible for overseeing the company's finance and accounting matters as well as its human resource, administrative, procurement and environmental, safety and health functions.

In 2010, she left Toyoplas Manufacturing (Dongguan) Co. Ltd, China and in 2011 was appointed as a director of Pen-M (M) Sdn Bhd overseeing the accounting and administrative department.

In 2012, she resigned as a director of Pen-M (M) Sdn Bhd and joined Toyoplas Manufacturing (M) Sdn Bhd as the Deputy General Manager (Accounts, Finance, Administrative, Human Resource and Procurement Division). She resigned from Toyoplas Manufacturing (M) Sdn Bhd in 2014 and rejoined Pen-M (M) Sdn Bhd as an Accounts, Human Resource and Administrative Manager.

In 2020, she joined our Company as the Director of Corporate, Finance and Accounts. She assumed her present role as an Executive Director of the Company in 2022.

(iii) **Alex Miranda Juntado**
Non-Independent Executive Director

Alex Miranda Juntado, male, an American aged 59, is our Non-Independent Executive Director. He was appointed to our Board on 31 May 2013 and is primarily responsible for the business development of our Group.

He obtained a High School Equivalency Certificate in 1992.

He began his career in 1985 as a Quality Inspector with Seagate Technology Plc, USA where he was responsible for workmanship and product quality. He rose through the ranks as Quality Leader (1986), Production Supervisor (1987) and Purchasing Officer (1992). Subsequently in 1995, he was promoted to Production Manager responsible for manufacturing management. He became the Program Manager in 1997 responsible for managing product development and production schedule.

In 1999, he left Seagate Technology Plc, USA and joined GSS Array Technology Inc, USA as a Program Manager responsible for manufacturing management and customer service. In the same year, he resigned from GSS Array Technology Inc, USA and joined Flextronics Ltd (currently known as Flex Ltd) in USA as a Program Manager responsible for manufacturing management and customer service. In 2001, he left Flextronics Ltd, USA and joined 2Wire Inc, USA as a Purchasing Officer responsible for supply chain management.

In 2009, he left 2Wire Inc, USA to set up 2COZ Technology where he provided services to rework defective or outdated products to Toyoplas Manufacturing (M) Sdn Bhd and its customers in the USA. In 2010, he ceased his venture under 2COZ Technology and was appointed as the Director of Cape Manufacturing. In 2013, he was appointed as our Director. In 2021, he was appointed as the Senior Vice President of Business Development of our Company and is primarily responsible for the business development of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**(iv) Tan Sik Hui**
Senior Independent Non-Executive Director

Tan Sik Hui, a Malaysian, female, aged 49, is our Senior Independent Non-Executive Director. She was appointed to our Board on 5 May 2022. She is also our Chairperson of the Nominating Committee.

She obtained her Bachelor of Commerce from The University of Western Australia, Australia in 1995.

She began her career in 1995 in The Pacific Bank Berhad (now known as Malayan Banking Berhad) as a Credit and Risk Analyst in the "Privilege" Banking Division of the Gleneagles Branch which she was primarily responsible in preparing, analysing and proposing loan documentations for bank borrowers and the submission of credit or loan applications to the Executive Committee Board for approval as well as preparing and carrying out credit and risk analysis. She was then promoted to be the Assistant Branch Manager in 1996 and was responsible for overseeing the servicing of clients in the premier banking branch in Gleneagles.

In 1998, she left the company and joined HLG Securities Sdn Bhd (now known as Hong Leong Investment Bank Berhad) as an Analyst and was primarily involved in researching and analysing data in the oil and gas and timber sectors. After working as an Analyst for several months, she requested for an internal transfer to join the dealing team as a Dealer Representative for high net worth clients.

She left the company in 1999 to join PhileoAllied Bank (Malaysia) Berhad (now known as Malayan Banking Berhad) as a Manager where she assisted in the establishment of the new private banking department. She left the company in the same year.

Subsequently, from 1999 to 2001, she worked with Canadian Imperial Bank of Commerce, based in Singapore, as the Associate Director in the private banking department and was primarily responsible for product structuring and servicing of high net worth individuals in Malaysia, Singapore, Thailand, Hong Kong and Japan. She took a career break from 2001 to 2003.

In 2003, she joined Merrill Lynch (Asia Pacific) Limited (now known as Bank of America Corporation), based in Hong Kong and assumed the role of a Vice President in the Investment Advisory Department, Private/Institutional Clients in which she was primarily responsible for servicing investors, discussing and implementing investment strategies as well as leading trading activities. She was subsequently transferred to the Beijing branch in China in 2004 wherein she assumed the same role as Vice President in the Investment Advisory Department, Private/Institute Clients, where her role is mainly in advisory of equity investments and trading activities of Mainland China investors whose companies are listed in the United States of America or Hong Kong. She continued her role as Vice President until she left the company in 2015 and took a 2-month career break before she joined a boutique investment consulting firm in China named House of Qin Limited from 2016 to 2017 as the Executive Vice President for Equities. She was responsible for implementing investment funds' investment strategies and managing their portfolio trading activities.

In 2017, she co-founded M Academy China, an artist management company based in China and assumed the role of Chief Executive Officer. She was primarily responsible in planning and overseeing the business development of the company as well as handling the sourcing of artists and music ventures. She left M Academy China in 2020.

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

Upon returning to Malaysia in 2020, she joined Longhouse Films Sdn Bhd, a film investment and production company, as a Managing Director, a position she held until July 2022. She was primarily responsible for planning and overseeing the corporate, financial and business development of the company.

From August to October 2022, she worked at PTS Impression Sdn Bhd, a wholly-owned subsidiary of Yong Tai Berhad, a public company listed on the Main Market of the Bursa Securities, as its Chief Marketing Officer. PTS Impression Sdn Bhd is principally involved in development and operation of tourism stage performance, transportation and investment holding of a subsidiary principally involved in event organising management. She was primarily responsible for the marketing and event coordination of Encore Melaka, a performing arts theater located in the Impression City, Melaka. She took a career break in November 2022.

Since December 2022, she runs her own consulting company under MFG Entertainment Sdn Bhd which does consulting work in entertainment for events and music.

(v) Yau Yin Wee
Independent Non-Executive Director

Yau Yin Wee, male, a Malaysian aged 65, is our Independent Non-Executive Director. He was appointed to our Board on 5 May 2022. He is also the chairman of our Remuneration Committee and a member of our Nominating Committee and Audit Committee.

He graduated with a Bachelor of Science from the University of South Alabama, College of Business and Management Studies, USA, in 1983.

Upon graduation, he joined Hong Leong Finance Berhad in 1983 as a Marketing and Credit Executive. He was promoted to Branch Manager in 1987. In 1991, he was re-designated as Hire Purchase Centre Manager to set up the bank's automobile business in Perak. He was promoted to the position of Corporate and Commercial Manager (Senior Manager) in 1996.

In 2005, he left Hong Leong Bank Berhad to join AmBank (M) Berhad as Senior Manager responsible for business development and credit. In 2010, he was transferred to the Corporate and Institutional Banking department of AmInvestment Bank Berhad as an Associate Director. He was transferred to AmBank (M) Berhad as Vice President of Corporate Banking in 2014.

In 2015, he left AmBank (M) Berhad to rejoin Hong Leong Bank Berhad as the General Manager of Retail Community Business. In the same year, he was appointed as Senior Regional Head (Southern Region) of the bank, a position he held until his retirement in 2021.

He has more than 30 years of experience in the banking industry. He was a committee member of Institut Bank-bank Malaysia (IBBM) (Perak and Johor Chapter) from 1992 to 2014. For some of these years, he also served as the Chairman. In 2021, he was appointed as a general committee member for MICCI.

(vi) Chen Kok Seng
Independent Non-Executive Director

Chen Kok Seng, male, a Malaysian aged 68, is our Independent Non-Executive Director. He was appointed to our Board on 5 May 2022. He is also the chairman of our Risk Management Committee and a member of our Audit Committee and Remuneration Committee.

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

He completed his secondary education and joined his family's partnership business Syarikat Lee Huat Plastic Industries ("**Lee Huat Plastic**") as an apprentice in 1971. As an apprentice, he worked on the factory floor as an operator and technician, and he was later involved in sales and marketing before assuming the overall management of the company. He rose through the ranks until he became a director in March 1981, where Lee Huat Plastic was terminated and his family incorporated a private limited company known as Lee Huat Plastics Industries Sdn Bhd (which subsequently changed its name to LH Plus Sdn Bhd in 2011).

He is the chief executive officer of Lee Huat Plastics Industries Sdn Bhd from 1998 to date. As the chief executive officer, he is responsible for the company's expansion and progress from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM) and Original Brand Manufacturing (OBM) in the plastics industry.

He contributes to the plastics industry as the President of Malaysian Plastics Manufacturers Association ("**MPMA**") from 1998 to 2004, and as its Honorary President, an advisory position he holds since 2004. From 1998 to present, he is also the Chairman of the Malaysian Plastics Design Centre ("**MPDC**") where he championed MPDC's mission to promote a design culture for the plastics industry. He was also a Council Member/Director of the Human Resource Development Corporation from 1998-2006.

From 2000 to present, he is also the Secretary General of Asia Plastics Forum ("**APF**") which comprises 12-member countries – Bangladesh, China, India, Indonesia, Japan, Malaysia, Myanmar, Philippines, Singapore, Sri Lanka, Thailand and Vietnam. APF was established primarily to share and exchange information of the plastics industry concerning amongst others, the economics and issues related to the plastics industry. APF currently focuses on carbon footprint, carbon dioxide emission, sustainability, the 3R's concept (reduce, reuse and recycle), circular economy, environment, social and governance. As the Secretary General, he represents APF in the Global Plastics Alliance, engaging with various organisations such as the American Chemistry Council and Plastics Europe. He was also the Secretary-General of the ASEAN Federation of Plastics Industries from 1992 to 1994.

Since 2017, he is the President of Malaysian Consortium of Mid-Tier Companies. As a President of MCMTC, he represents the MCMTC in its dealings with outside parties such as the Ministries and its Agencies, Media and other Associations and Chamber of Commerce. He also provides leadership and mobilise the expertise and experience of members towards strategic alliance for sustainable growth and collaboration to increase business opportunities and transform Mid-Tier Companies (MTCs) to be regional and global champions.

(vii) Koh Beng San
Independent Non-Executive Director

Koh Beng San, male, a Malaysian aged 48, is our Independent Non-Executive Director. He was appointed to our Board on 5 May 2022. He is also the Chairman of our Audit Committee and a member of our Risk Management Committee, Nominating Committee and Remuneration Committee.

He was admitted as an Association of Chartered Certified Accountants (ACCA) Member in 2001 and Fellow Member in 2006. He was also admitted as a Malaysian Institute of Accountants (MIA) member in 2002 and an ASEAN Chartered Public Accountant (ASEAN CPA) member in 2021.

He began his career in 1998 as a Trainee Audit Assistant in JPL Wong & Co, Singapore. In 1999, he left JPL Wong & Co to join BDO Binder as an Audit Assistant. In 2002, he left BDO Binder to join Tru-Tech Engineering (M) Sdn Bhd as an Accountant responsible for finance and accounting.

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

He subsequently left the company and joined Southern Industrial Gas Sdn Bhd in 2003 as the Finance Manager (re-designated to Manager (Finance, Accounts, Strategies Management & Audits) in 2004). He was responsible for the group's treasury, accounting and finance functions. In 2015, he was promoted to Finance Director. In addition to his then current responsibilities, he was also put in charge of matters relating to the group's human resources, administration, procurement and information technology. While working for Southern Industrial Gas Sdn Bhd, he also sat on the board of Southern Nitrous Oxide Sdn Bhd, a related company of Southern Industrial Gas Sdn Bhd. He resigned from his position as a director of the company in 2019 and subsequently left Southern Industrial Gas Sdn Bhd in 2020.

In 2018, he founded Koh BS & Co, which provides company secretarial and accounting services. Koh BS & Co is registered with the Malaysian Institute of Accountants (MIA). In 2021, he also founded Elitnity Sdn Bhd which provides business advisory and consultancy services.

In 2020, he was appointed as a Non-Executive Independent Director and the Chairman of the Audit Committee of Renaissance United Limited, a public company listed on the Mainboard of the Singapore Exchange, a position he still holds as at the LPD.

5.2.2 Directors' shareholdings

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

Name	Before our IPO				After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Mohd Rabin Bin Basir	-	-	-	-	(3)320,000	<0.1	-	-
Tee Kim Chin	450,000,000	60.0	-	-	374,500,000	40.5	-	-
Tee Kim Yok	138,750,000	18.5	-	-	127,550,000	13.8	-	-
Lim Chue Wan	-	-	-	-	(3)400,000	<0.1	-	-
Alex Miranda Juntado	-	-	-	-	-	-	-	-
Tan Sik Hui	-	-	-	-	(3)320,000	<0.1	-	-
Yau Yin Wee	-	-	-	-	(3)320,000	<0.1	-	-
Chen Kok Seng	-	-	-	-	(3)320,000	<0.1	-	-
Koh Beng San	-	-	-	-	(3)320,000	<0.1	-	-

Notes:

- (1) Based on our issued Shares before our IPO of 750,000,000 Shares following the Pre-IPO Restructuring Exercise.
- (2) Based on our enlarged issued Shares after our IPO of 923,000,000 Shares.
- (3) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocation and assuming he/she does not apply for any excess Shares.

Our eligible Directors are entitled to apply for any Excess Shares, on top of their pre-determined allocation under the Pink Form Allocation, as set out in **Section 4.2.3(vii)** of this Prospectus.

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

5.2.3 Principal business activities and directorships in other corporations outside of our Group for the past 5 years

Save as disclosed below, our Board confirms that they do not have any other principal directorships and principal business activities outside our Group as at the LPD and in the past 5 years preceding the LPD:

(i) **Datuk Mohd Rabin Bin Basir**

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect

Present involvement

Aegis Security Services Sdn Bhd	Export and import of security systems, security systems service activities, and private security activities	Director and shareholder	12 October 2022	-	30.0	-
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Past involvement

Yayasan Bantuan Guaman Kebangsaan	This is a public company limited by guarantee. The nature of business of this company is to create and maintain a fund to be used for the purpose of funding the provision of legal aid in criminal proceedings to those needing legal aid and for other matters connected therewith, to provide the services of lawyers to represent those needing legal representation in criminal proceedings, to provide such assistance as may be necessary for the provision of legal representation to those needing legal aid.	Director	11 January 2022	17 June 2022	-	-
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Maritime Institute of Malaysia	This is a public company limited by guarantee and does not have share capital. This company is a policy research institute set up by the Malaysian Government to deal specifically with national, regional and global maritime issues.	Director	21 October 2020	16 July 2021	-	-
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii)	Tee Kim Chin	Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
							Direct	Indirect
<u>Present involvement</u>								
	Christee Holding Sdn Bhd	Investment in properties, investment holding, hotel management and operation	Director and shareholder	25 October 2017	-	60.0	-	-
	Christee Vacation Management Sdn Bhd	Hotel management and vacation club management, tourism, timesharing business management and marketing services, investment holding company	Director and shareholder	12 October 2017	-	40.0	-	-
	Christee Vacation Club Berhad	Vacation club membership, time-sharing vacation club and management services	Director	29 November 2017	-	-	60.0 ⁽¹⁾	-
	MICCI	This is a public company limited by guarantee. The nature of business of this company is activities of business and employers' membership organizations, forwarding of freight, courier activities other than national post activities.	Director	6 November 2015	-	-	-	-
	Palmeco Technology Berhad	Mixed farming, growing of oil palm (estate), investment holding company ⁽²⁾	Shareholder	-	-	<0.1	-	-
	Octopustech Global Berhad	Investment holding ⁽³⁾	Shareholder	-	-	1.5	-	-
	Restoran Helixuan Sdn Bhd	Restaurants	Shareholder	-	-	7.5	-	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
EZI Solutions Pte Ltd (previously known as Christee International Biz Vacation Pte Ltd)	Management consultancy services and wholesale trade of a variety of goods without a dominant product	Director and shareholder	4 June 2018	22 July 2022	40.0	-
Restoran Helixuan Sdn Bhd	Restaurants	Director	4 April 2019	30 June 2022	7.5	-
3C Innovation Sdn Bhd (previously known as Cape Innovative Manufacturing (M) Sdn Bhd)	Manufacturer and assembler of motorcycles, mopeds and cycle fitted with an electric/ auxiliary engine, scooters, parts and accessories for motorcycles, manufacturer of bicycles and invalid carriages	Director and shareholder	8 March 2017	5 January 2022	100.0	-
Ultimate Infratech Sdn Bhd (previously known as Cape Bsmart Solutions Sdn Bhd)	Dealing in activities of data processing and gathering system, wireless antenna and multimedia infrastructure equipment and products	Director and shareholder	17 July 2013	8 February 2022	60.0	-
GH Farming (M) Sdn Bhd (previously known as Cape Eco & Organic Farming (M) Sdn Bhd)	Research and development on biotechnology, fertilizers, manufacture of fertilizers, wholesales of fruits	Director and shareholder	14 April 2016	14 December 2021	60.0	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Good Hope Distribution Sdn Bhd (previously known as Cape Distribution Worldwide Sdn Bhd)	To carry on the business of distributors and dealers in food and beverages of all description and for that purpose to set up, install or service, lease or rent, or otherwise acquire all plant machinery and related equipment	Director	17 February 2017	30 September 2020	-	-
Good Hope Global Sdn Bhd (previously known as Cape Global (MMS) Sdn Bhd)	Distributing and trading in cosmetic and skin care products, distributing and trading in personal care hygiene and chemical products. Distributing and trading personal protective equipment	Director	27 August 2013	23 July 2020	-	-
Good Hope Edu Sdn Bhd (previously known as Cape Smart Edu Sdn Bhd)	Pre-primary education, tuition centre and child day-care services. Trading in books and stationery. Trading in educational toys	Director	2 March 2016	23 July 2020	-	-
Diamond Star Global Sdn Bhd	Dormant ⁽⁴⁾	Director	9 January 2019	23 September 2019	-	-
Diamond Star Biotechnology Sdn Bhd	Retail sale of any kind of product over the internet, manufacture of other general-purpose machinery not elsewhere classified, stores specialised in retail sale of perfumery, cosmetic and toilet articles	Director	9 January 2019	23 September 2019	-	-
GS Plus Mining (M) Sdn Bhd (Dissolved on 24 June 2021)	Mining of ores valued chiefly for iron content	Director and shareholder	4 July 2013	-	90.0	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Cape Integrated Sdn Bhd (Dissolved on 12 September 2022)	Activities of holding companies	Director and shareholder	24 November 2021	-	100.0	-
Notes:						
(1)	Deemed interested by virtue of her direct shareholding in Christee Holding Sdn Bhd pursuant to Section 8 of the Act.					
(2)	The principal activities of its subsidiaries include oil palm cultivation and investment holding, oil palm cultivator and also resort hotel operator, and investment holding.					
(3)	The principal activities of its subsidiaries include information communication technology and mobile application for food and beverages orders and deliveries, delivery platform, providing information communication technology ("ICT") services for food delivery platform and business proposal consultation for information technology ("IT") services.					
(4)	Diamond Star Global Sdn Bhd was intended to be involved in designing and researching that which involves natural wood vinegar as a key material for feminine hygiene personal care product.					
(iii) Tee Kim Yok						
Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
Present involvement						
Christee Vacation Club Berhad	Vacation club membership, time-sharing vacation club and management services	Director	31 December 2021	-	-	40.0 ⁽¹⁾
Christee Vacation Management Sdn Bhd	Hotel management and vacation club management, tourism, timesharing business management and marketing services, investment holding company	Director and shareholder	31 December 2021	-	60.0	-
Christee Holding Sdn Bhd	Investment in properties, investment holding, hotel management and operation	Director and shareholder	31 December 2021	-	40.0	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Octopustech Global Berhad	Investment holding ⁽²⁾	Shareholder	-	-	0.4	-
Christee Suites Hotel	Hotel / lodging with 46 family suites rooms	Sole proprietor	1 January 2022	-	-	-
Jotech Metal Fabrication Industries Sdn Bhd	Manufacturing and fabrication of tools and dies and stamped metal components for electrical and consumer electronic industries	Shareholder ⁽³⁾	-	-	100.0 ⁽³⁾	-
<u>Past involvement</u>						
Good Hope Distribution Sdn Bhd (previously known as Cape Distribution Worldwide Sdn Bhd)	To carry on the business of distributors and dealers in food and beverages of all description and for that purpose to set up, install or service, lease or rent, or otherwise acquire all plant machinery and related equipment	Director and shareholder	8 August 2018	3 January 2022	80.0	-
Good Hope Global Sdn Bhd (previously known as Cape Global (MMS) Sdn Bhd)	Distributing and trading in cosmetic and skin care products, distributing and trading in personal care hygiene and chemical products. Distributing and trading personal protective equipment	Director and shareholder	4 May 2018	11 January 2022	80.0	-
Good Hope Edu Sdn Bhd (previously known as Cape Smart Edu Sdn Bhd)	Pre-primary education, tuition centre and child day-care services. Trading in books and stationery. Trading in educational toys	Director and shareholder	1 April 2016	31 December 2021	50.0	-
Eyetech Solutions	CCTV, office equipment supply, security products	Sole proprietor	6 November 2012	17 November 2021	-	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Irina Beauty Perfume House	Beauty saloon and perfume	Sole proprietor	29 March 2021	1 April 2022	-	-
Little Planet Tuition Centre	Tuition centre	Sole proprietor	27 April 2021	1 April 2022	-	-
Pusat Perkembangan Kanak Ceria Ideal	Children development centre	Sole proprietor	20 June 2016	1 April 2022	-	-
Protech Renovation & Services	Renovation works, electrical wiring services, build-in kitchen cabinet, plaster ceiling, air-conditioner installation and services, flooring works	Partner	26 August 2015	1 April 2022	-	-

Notes:

- (1) Deemed interested by virtue of her direct shareholding in Christee Holding Sdn Bhd pursuant to Section 8 of the Act.
- (2) The principal activities of its subsidiaries include information communication technology and mobile application for food and beverages orders and deliveries, delivery platform, providing ICT services for food delivery platform and business proposal consultation for IT services.
- (3) Tee Kim Yok entered into a share sale agreement dated 2 December 2022 and a supplemental agreement dated 7 January 2023 (collectively, "**Jotech Agreements**") to purchase the entire share capital of Jotech Metal Fabrication Industries Sdn Bhd ("**Jotech**"). She had taken up the Ambank Facility to finance her acquisition of Jotech and has, in addition to the pledges of Tee Kim Chin and Tee Kim Yok's Shares, pledged all her shares in Jotech in favour of Ambank as security. Pursuant to the Jotech Agreements, the transfer of shares in Jotech was completed on 10 January 2023, prior to settlement of full payment of the purchase consideration. This was pursuant to Ambank's requirement for the Jotech shares to be transferred to Tee Kim Yok and pledged in favour of Ambank as security prior to the drawdown of the Ambank Facility. On 19 January 2023, the purchase consideration for the acquisition of Jotech shares had been fully settled. The acquisition by Tee Kim Yok was pursuant to her intention to venture into the core metal stamping business, the pledge by Tee Kim Chin of her Shares is pursuant to a personal arrangement between them which is unrelated to the Group.

(iv) Lim Chue Wan

Lim Chue Wan does not have any principal business activities including principal directorships outside our Group as at the LPD and did not have any principal business activities including principal directorships outside our Group in the past 5 years preceding the LPD.

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

(v) Alex Miranda Juntado

Alex Miranda Juntado does not have any principal business activities including principal directorships outside our Group as at the LPD and did not have any principal business activities including principal directorships outside our Group in the past 5 years preceding the LPD.

(vi) Tan Sik Hui

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
MFG Entertainment Sdn Bhd	Creative, arts and entertainment activities not elsewhere classified	Director and shareholder	30 November 2020	-	100.0	-
<u>Past involvement</u>						
Paragrene Land Berhad	Investment holding ⁽¹⁾	Director	3 August 2021	30 September 2022	-	-
Ideal View Sdn Bhd (Dissolved on 8 June 2018)	Management consultants	Director and shareholder	10 October 1991	-	10.0	-
Penarik Fishermen's Wharf Resorts Sdn Bhd (Dissolved on 18 January 2019)	Operating tourist resort	Director and shareholder	13 April 1993	-	2.5	-

Note:

(1) The principal activities of its subsidiaries include property development, investment holding and sales gallery management.

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

(vii) Yau Yin Wee

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Business Legion Sdn Bhd	Property investment	Director and shareholder	8 July 2021	-	<0.1	-
I REIT Managers Sdn Bhd	Property Unit Trust (REITS)	Director	1 April 2022	-	-	-

Yau Yin Wee did not have any principal business activities including principal directorships outside our Group in the past 5 years preceding the LPD.

(viii) Chen Kok Seng

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
LH Plus Sdn Bhd	Manufacturer of plastic injection moulding goods for the food, healthcare & medical, electrical and automotive industries	Director	14 March 1981	-	-	-
Lambang Mesra Sdn Bhd	Letting of premises owned by the company	Director and shareholder	22 January 1987	-	25.0	-
Malaysian Plastic Design Centre	This is a public company limited by guarantee with principal activity in plastics products	Director	7 December 2007	-	-	-
Click Cap Tech Sdn Bhd	Engaged in research and development on bottle caps, metal and plastic closure and related products	Director and shareholder	13 May 2009	-	50.0	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Lush Plus Sdn Bhd	General trading ⁽¹⁾	Director	14 November 2017	-	-	-
Kesan Pujaan Sdn Bhd	Investment holding company ⁽²⁾	Shareholder	-	-	50.0	-
Columbus Calculus Sdn Bhd	Retail sale of household appliances, wholesale of household appliances	Director	15 October 2018	-	-	-
<u>Past involvement</u>						
Logic Foods Sdn Bhd	Wholesale of rice, other grains, flour and sugars, manufacture of sugar, and wholesale of other food stuffs	Director and shareholder	2 July 2019	24 May 2022	70.0	-
The Under Shop Sdn Bhd	Trading in men's underwear and garments	Director	25 May 1983	3 January 2018	-	-
MPMA Holdings Sdn Berhad (Dissolved on 17 April 2018)	Trading plastic raw materials and conduct of seminars for plastic raw material	Director and shareholder	28 March 1988	-	33.3	-
Novatree Sdn Bhd (Dissolved on 13 November 2020)	Trading plastics	Director and shareholder	3 October 1987	-	37.5	-
Laurus Comerciium Sdn Bhd (Dissolved on 22 February 2018)	Dormant	Director and shareholder	23 August 2013	-	5.0	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Kesan Sdn Bhd	Investment holding company ⁽²⁾	Director	20 November 1986	9 October 2019	-	-

Notes:

(1) Lush Plus Sdn Bhd does not carry out any trading and currently is an investment holding company. The principal activities of its subsidiaries include manufacturing of plastic injection moulding goods for the food, healthcare and medical, electrical and automotive industries and the sale of premium household wares and related products.

(2) The principal activity involves renting of real estate.

(ix) Koh Beng San

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect

Present involvement

Sing Hoh Realty Sdn Bhd	Real estate activities with own or leased property not elsewhere classified	Director and shareholder	27 July 2021	-	<0.1	-
Renaissance United Limited (Listed on the Mainboard of the Singapore Exchange)	Investment holding ⁽¹⁾	Non-Executive Independent Director	13 October 2020	-	-	-
SSB Cryogenic Equipment Sdn Bhd	Wholesale of other solid, liquid and gaseous fuels and related products not elsewhere classified and other service activities incidental to water transportation not elsewhere classified	Director	15 June 2020	-	-	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Renaissance United Group Sdn Bhd (An indirect subsidiary of Renaissance United Limited, which is listed on the Mainboard of the Singapore Exchange)	Civil engineering contractor	Director	30 November 2020	-	-	-
Eitnity Sdn Bhd	Business consulting services, internal auditing services, other advisory services and wholesale of a variety of goods without any particular specialization not elsewhere classified	Director and shareholder	23 March 2021	-	60.0	-
Chico Auto Supply Sdn Bhd	General dealers of motor vehicles parts	Shareholder	-	-	<0.1	-
Koh BS & Co	Providing company secretary and accounting services	Sole proprietor	22 November 2018	-	-	-
<u>Past involvement</u>						
Southern Industrial Gas Sdn Bhd	Manufacturers, wholesalers, refillers, traders, distributors, importers and exporters of all kinds of industrial gases, gas mixtures, speciality gases, refrigerants, welding and cutting equipment and other gas related products and provision of transportation	Director	20 January 2015	31 January 2020	-	-

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

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Southern Nitrous Oxide Sdn Bhd (Dissolved on 14 April 2021)	Manufacture of liquefied or compressed inorganic industrial or medical gases	Director	2 November 2016	31 October 2019	-	-

Note:

(1) The principal activities of its subsidiaries include manufacturers, assemblers, installers, maintainers, repairers of and dealers in electronic components, residential estate development, providing management services, natural gas distribution, transportation of natural gas.

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

- (i) our Non-Executive Directors are not involved in the day-to-day operations of our Group; and
- (ii) our Executive Directors are not involved in the management and day-to-day operations of these businesses outside our Group, other than attending meetings of the board of Directors on which they serve. These businesses outside our Group do not require their involvement on a daily basis as these businesses are managed by their respective management. Our Executive Directors are of the view that although they are involved in other businesses outside our Group, they are able to devote sufficient time and attention to the affairs of the Group to carry out their respective duties.

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

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

5.2.4 Promoters, Substantial Shareholders and Directors' remuneration and material benefits in-kind

The details of the remuneration and material benefits in-kind paid and proposed to be paid to our Promoters, Substantial Shareholders and Directors for services rendered to our Group in all capacities for FYE 2022 and FYE 2023 are as follows:

(i) Directors

FYE 2022 (paid)	Salaries (RM)	Fees (RM)	Bonus (RM)	EPF and Social Security Organisation (RM)	Allowances (RM)	Benefits-in- kind (RM)	Total (RM)
<u>Executive Directors</u>							
Tee Kim Chin	1,229,000	-	-	149,000	-	-	(4)1,378,000
Tee Kim Yok	233,000	-	-	29,000	-	-	(4)262,000
Lim Chue Wan ⁽²⁾	389,000	-	-	48,000	-	-	(4)437,000
Alex Miranda Juntado	-	(2)491,400	-	-	-	-	(4)491,400
<u>Non-Executive Directors</u>							
Datuk Mohd Rabin Bin Basir	-	(5)40,833	-	-	(5)10,000	-	50,833
Tan Sik Hui	-	(5)35,000	-	-	(5)10,000	-	45,000
Yau Yin Wee	-	(5)35,000	-	-	(5)10,000	-	45,000
Chen Kok Seng	-	(5)35,000	-	-	(5)10,000	-	45,000
Koh Beng San	-	(5)35,000	-	-	(5)8,000	-	43,000

Notes:

- (1) Paid in her capacity as Director of Corporate, Finance and Accounts of Cape EMS, to which she was appointed in April 2020.
- (2) Alex Miranda Juntado, our Executive Director, is based in USA and as agreed with our Company, for the period from January 2021 to June 2021, he was paid solely in terms of allowance. For the period from July 2021 to November 2021, our Board agreed to pay Alex Miranda Juntado in terms of Director's fee as well as the existing allowances being paid to him. In November 2021, our Board agreed to cease the payment of allowances to Alex Miranda Juntado, and therefore, only Director's fee is paid to Alex Miranda Juntado from December 2021.
- (3) Appointed as Executive Director on 16 March 2022. Prior to her appointment as Executive Director of Cape EMS, she was the Director of Corporate, Finance and Accounts of Cape EMS.

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

- (4) Excludes bonuses which will be paid to our Executive Directors on a discretionary basis. The determination of bonus paid to our Executive Directors is based on our Company's and individual's annual performance.
- (5) The fees and allowances are pro-rated from 1 June 2022.

FYE 2023 (proposed)	Salaries (RM)	Fees (RM)	Bonus (RM)	EPF and Social Security Organisation		Benefits-in-kind (RM)	Total (RM)
				Security Organisation (RM)	Allowances (RM)		
Executive Directors							
Tee Kim Chin	2,116,500	-	400,000	304,297	-	-	2,820,797
Tee Kim Yok	337,500	-	60,000	48,859	-	-	446,359
Lim Chue Wan	556,500	-	100,000	79,939	-	-	736,439
Alex Miranda Juntado	-	510,526	85,087	-	-	-	595,613
Non-Executive Directors							
Datuk Mohd Rabin Bin Basir	-	80,490	-	-	27,000	-	107,490
Tan Sik Hui	-	70,800	-	-	27,000	-	97,800
Yau Yin Wee	-	70,800	-	-	27,000	-	97,800
Chen Kok Seng	-	70,800	-	-	27,000	-	97,800
Koh Beng San	-	70,800	-	-	27,000	-	97,800

The remuneration of our Directors, which includes our Directors' salaries, bonuses and allowances as well as other benefits of our Directors is based on individual contributions to our Group's overall performance and value. Such remuneration must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees and/or benefits must be further approved by our shareholders at a general meeting.

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

5.2.5 Board practices

Our Board is committed to inculcating good corporate governance practices in our Group from time to time in accordance with the practices and guidance based on the MCCG. Our Board believes that corporate governance is extremely important to the success of our Group's business. The members of our Board are as set out in **Section 5.2** of this Prospectus.

5.2.5.1 Responsibility of our Board

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

- (i) adopting and reviewing a strategic plan, as developed by our Management, taking into account the sustainability and long-term value creation of our Group's business and strategic, with attention given to the economic, environmental, social considerations underpinning sustainability and governance aspects of the business;
- (ii) setting and taking responsibility of our Group's sustainability policy to oversee, together with our Management, to meet the Group's sustainability goals to maintain the confidence of stakeholders;
- (iii) reviewing, challenging and deciding on our Management's proposals on matters for the Company including, but not limited to, corporate strategy, business plan and budget, and monitor the implementation by our Management;
- (iv) supervising and overseeing the conduct of the Company's business, including assessing and monitoring the performance of our Management to determine whether the business is being properly managed;
- (v) identifying and assessing principal business risks faced by our Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
- (vi) setting the risk appetite within which the Board expects our Management to operate and ensure that there is an appropriate annual review and periodic testing of our Company's internal control and risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. The framework adopted by the internal auditors of our Group will be based on an internationally recognised risk management framework;
- (vii) adopting a succession planning policy of our Board and the senior management and reviewing from time to time the succession plan of the group, including appointing, training, compensating and where appropriate, to provide for the orderly succession of senior management;
- (viii) establishing a corporate disclosure policy and overseeing the implementation of the shareholders communication policy and an investor relations programme for our Company;
- (ix) setting corporate values and promoting, together with our Management, good corporate governance culture within our Group, which reinforces the accountability, transparency, integrity and professional behaviour and ensuring that its obligations to shareholders and other stakeholders are met;
- (x) ensure that our Company has in place procedures to enable effective communication with stakeholders;

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

- (xi) ensure the integrity of our Company's financial and non-financial reporting. Courts have held that it is the duty of every director to read the financial statement of our company and carefully consider whether what they disclose is consistent with the director's own knowledge of the company's affairs; and
- (xii) ensuring that governance in our Group is implemented holistically through a group governance framework and overseeing the Group's adherence to our Group's policies.

5.2.5.2 Audit Committee

Our Audit Committee comprises the following members:

Name	Designation	Directorship
Koh Beng San	Chairman	Independent Non-Executive Director
Chen Kok Seng	Member	Independent Non-Executive Director
Yau Yin Wee	Member	Independent Non-Executive Director

The main function of our Audit Committee is to assist our Board in fulfilling its responsibility on the oversight of the integrity of our Group's accounting and financial reporting matters. The Audit Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

- (i) to review the following and report the same to our Board:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report; and
 - (d) the assistance given by the employees of our Group to the external auditor.
- (ii) to do the following and report the same to our Board, in relation to the internal audit function:
 - (a) review the adequacy of the scope, functions, competency, resources and budget of the internal audit function, and that it has the necessary authority to carry out its work;
 - (b) review the internal audit plan, processes and results of the internal audit plan, the effectiveness of the internal audit function, processes or investigation undertaken and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - (c) review any appraisal or assessment of the internal audit personnel on their independence, qualification, experience, and competency, performance, audit fees and continuous professional development.
 - (d) approve any appointment or termination of senior staff members of the internal audit function; and
 - (e) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

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

- (iii) to review the quarterly results and annual financial statements of our Group with both the external auditors and Management prior to the approval by our Board, focusing particularly on:
 - (a) any changes in or implementation of accounting policies and practices;
 - (b) any significant adjustments arising from the audit;
 - (c) any significant matters highlighted including financial reporting issues, significant judgements made by Management and how these matters are addressed;
 - (d) significant and unusual events or transactions;
 - (e) the going concern assumption; and
 - (f) compliance with applicable accounting standards and other legal requirements.
- (iv) to consider and review any related-party transactions and potential conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (v) to ensure that they are fully informed about significant matters related to the Company's audit and its financial statements;
- (vi) to discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of Management where necessary);
- (vii) to communicate their insights, views and concerns about relevant transactions and events to internal and external auditors;
- (viii) to ensure there is co-ordination between internal and external auditors;
- (ix) to consider and report the same to our Board the appointment, nomination, resignation and dismissal of external auditors based on the policies and procedures for assessment of suitability, objectivity and independence of external auditors and their respective audit fees;
- (x) to consider the report, major findings and Management's response thereto on any internal investigations carried out by the internal auditors;
- (xi) to review the allocation of options / shares granted pursuant to the employees' share Option scheme / employee share grant plan and make such statement to be included in the annual report of our Company in relation to a share scheme for employees; and
- (xii) any such other functions as may be agreed by the Committee and our Board as may be required under the Listing Requirements or other regulatory requirements.

5.2.5.3 Risk Management Committee

Our Risk Management Committee currently comprises the following members, of which the majority are Independent Non-Executive Directors:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chen Kok Seng	Chairman	Independent Non-Executive Director
Koh Beng San	Member	Independent Non-Executive Director
Tee Kim Chin	Member	Non-Independent Managing Director/ Group Chief Executive Officer

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

The current composition of our Risk Management Committee comprises a majority of Independent Directors to enable objective oversight of risk matters. Given that our Non-Independent Managing Director/Group Chief Executive Officer has more in-depth knowledge on the business and sustainability risks that our Company is exposed to, it is widely held that our Non-Independent Managing Director/Group Chief Executive Officer is in a better position to evaluate such risks to be presented to our Risk Management Committee for the same to oversee and recommend risk management strategies and policies and risk tolerance levels.

Our Board together with Management takes responsibility for the governance of sustainability in our Company including setting the Company's sustainability strategies, priorities and targets. Our Board has the overall responsibility for risk oversight and risk management within our Group. However, as a committee of our Board, our Risk Management Committee shall lead our strategic direction in the management of our business and sustainability risks and opportunity, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but are not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

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

- (i) to oversee and recommend the risk management strategies and policies and risk tolerance levels for our Board's approval;
- (ii) to ensure that the risk management framework and policy are embedded in and functions effectively throughout our Group and is within the parameters established by our Board and to ensure that the risk management framework is based on an internationally recognised risk management framework;
- (iii) to conduct a periodic review and testing of the risk management framework;
- (iv) to identify and measure the potential risks and to formulate mitigation action plan(s) to manage and monitor the risks identified within the risk appetite of our Group, and to ensure that corrective measures are undertaken to remedy failings and/or weaknesses;
- (v) to review the adequacy and effectiveness of the enterprise risk management of our Group to ensure that the key risk registers and the risk dashboard of the Group compiled therefrom remains relevant taking into consideration any changes in internal business processes, business strategies or external environment;
- (vi) to provide awareness and education on risk management to all level of the Group;
- (vii) to ensure infrastructure, resources and systems are in place for risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of our Group's risk taking activities;
- (viii) to report the risk management activities and updated key risk registers and the risk dashboard of our Group compiled therefrom to our Board on periodical basis (at least annually) or on a timely manner (if there are substantial changes in internal business processes, business strategies or external environment) for their independent review;
- (ix) to perform risk identification and assessment in relation to major asset/business acquisition or divestment or business diversification or business consolidation and to report the results of the assessment to the Board for strategic decision making;
- (x) to perform risk identification and assessment in relation to the environmental, social and governance issues, sustainability issues relevant to our Company including health and safety, data governance and privacy as well as climate-related risks;

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

- (xi) to perform a regular review, to monitor and conduct an assessment on the performance, efficiency and effectiveness of the anti-bribery programme of our Group to ensure the programme is monitored and enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party. The reviews shall form the basis for any efforts to improve existing anti-bribery anti-corruption controls;
- (xii) to review the statements to be included in the Annual Report concerning internal controls and risk management;
- (xiii) to review the effectiveness of our Group's risk management systems; and recommend, as appropriate, for the Board's endorsement of the Statement on Risk Management and Internal Control to be included in our Company's annual report; and
- (xiv) to consider and examine such other matters as the Committee considers appropriate or as defined by or Board.

5.2.5.4 Nominating Committee

Our Nominating Committee comprises the following members:

Name	Designation	Directorship
Tan Sik Hui	Chairperson	Senior Independent Non-Executive Director
Koh Beng San	Member	Independent Non-Executive Director
Yau Yin Wee	Member	Independent Non-Executive Director

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

- (i) to establish an appropriate (fit and proper) selection criteria and processes, recruitment process and to recommend to the Board, candidates for all directorships of our Company and members of the relevant Board Committees;
- (ii) to oversee and shape our Group's governance policies and practices to put in place the succession planning of our Directors and senior management and to achieve the board effectiveness and governance;
- (iii) to integrate ESG considerations into nomination processes such as training criteria and ESG experience in order to recruit directors that will bring ESG expertise to our Board;
- (iv) to ensure sufficient diversity and independence in our Board in order to achieve greater depth and breadth in the decision-making process;
- (v) the Chairperson of the Nominating Committee shall refer the succession planning policy duly approved by our Board to lead the succession planning for Directors and senior management and appointment of members of our Board and senior management and oversee the development of a diverse pipeline for our Board and management succession, including the future Chairperson and the Managing Director;
- (vi) to establish the mechanisms for the formal assessment on an annual basis on the effectiveness of the Board as a whole, the effectiveness of each Directors; the effectiveness of our Board of Committees and senior management; the performance of our Directors and senior management and the need to bring new skills and perspective to our Board and the senior management. Performance evaluations of our Board and senior management include a review of the performance of our Board and senior management in addressing our Company's material sustainability risks and opportunities;

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

- (vii) to utilise the annual evaluation forms duly approved by our Board to assess the effectiveness of our Board, our Board Committees and the contribution and performance of each individual Director and the Chairperson and to disclose the annual evaluation methodology and results in the Corporate Governance Report of our Company;
- (viii) to review on annual basis, the term of office and performance of our Audit Committee and each of its members to determine whether our Audit Committee and members have carried out their duties in accordance with the terms of reference of our Audit Committee;
- (ix) to assess our Independent Non-Executive Directors in terms of their independence and ability to discharge their responsibilities or functions as well as the exercise of their independent judgment or their ability to act in the best interest of our Company;
- (x) to review on an annual basis, the length of service of each Independent Non-Executive Director. The tenure of an independent director does not exceed a term limit of nine (9) years;
- (xi) to review and recommend on an annual basis to our Board the appropriate size, structure, balance and composition of our Board, required mix of skills, experience, boardroom diversity and other qualities, including core competencies in order for the Board to function effectively and efficiency and to ensure that the contribution of our Directors and Key Senior Management are in line with our Group's requirements and in compliance with the Listing Requirements;
- (xii) to assess annually the effectiveness and the contribution of each Independent Non-Executive Director, based on the processes and procedures laid out by our Board;
- (xiii) to recommend to our Board the removal of a Director including the Managing Director and senior management if he is ineffective, errant or negligent in discharging his responsibilities;
- (xiv) to develop and continually review an appropriate framework and oversee the succession planning for the Chairperson, the Board, including the Managing Director, Executive Directors, and senior management;
- (xv) to assist our Board to assess and evaluate circumstances where Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving the declaration of the same. After deliberation with our Audit Committee, to recommend to our Board on the necessary actions to be taken in the circumstances where there is a conflict of interest. To ensure that the individual candidate standing for election should be transparent and make the necessary declaration of the potential conflict of interest to our Board and shareholders;
- (xvi) to provide shareholders of our Company the information they require to make an informed decision on the appointment and/or re-appointment of a director. The information should be included in the notes accompanying the notice of the general meeting;
- (xvii) to report summary activities of our Nominating Committee for the year which include the application of Fit and Proper Policy in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations; and
- (xviii) to carry out such other functions or assignments as may be delegated by our Board from time to time within the scope of our Nominating Committee or as may be required under the Listing Requirements.

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

5.2.5.5 Remuneration Committee

Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Yau Yin Wee	Chairman	Independent Non-Executive Director
Koh Beng San	Member	Independent Non-Executive Director
Chen Kok Seng	Member	Independent Non-Executive Director

The main function of our Remuneration Committee is to support our Board in actively overseeing the design and operation of the Group's remuneration system to ensure corporate accountability and governance. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, among others, the following:

- (i) to assist our Board in discharging its responsibilities for, among others, its compensation strategy, management development and other compensation arrangements;
- (ii) to develop and administer a fair and transparent remuneration policy and procedure, including the fee structure and level of remuneration for Directors and senior management, taking into account the demands, complexities and performance of our Company in managing material sustainability risks and opportunities as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of each Directors and senior management and the basis of our Directors' and senior management's merit, qualification and competence, while having regard to our Company's operating results, individual performance and comparable market statistics. Our Board determines who makes up senior management and if any other group of employees should be covered by the remuneration policy and procedures. The policy and procedure shall be reviewed periodically to ensure relevance to our Group and made available on our Company's website;
- (iii) to implement the remuneration policies and procedures including reviewing and recommending to our Board on the total individual remuneration package for Directors and senior management personnel including, where appropriate, salaries, bonuses, directors' fee, allowances, incentive payments, options or benefit-in-kinds within the terms of agreed remuneration policy and based on individual contributions to our Company's overall performance and value instead of dependent on short term performance to avoid any incentives for excessive risk-taking, with reference to the Company's remuneration policy and procedure;
- (iv) to ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Executive Directors and senior management that is aligned with the business strategy and long-term objectives of our Company;
- (v) when recommending the fee and other benefits for our Independent Directors, our Remuneration Committee shall ensure it does not conflict with our Independent Directors' obligation to bring objectivity and independent judgment on matters discussed at Board meetings;
- (vi) to consider and examine such other matters as the Remuneration Committee considers appropriate;
- (vii) to establish frequent communication with other board committees, namely Nominating Committee, to align remuneration policies and procedures to succession plans and talent management of executives, and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures;

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

- (viii) to table separate resolutions on the approval of the fees of each Non-Executive Directors of our Company and to provide clarification to shareholders during general meetings on matters pertaining to remuneration of directors and senior management as well as the overall remuneration framework of our Company; and
- (ix) to carry out such other functions or assignments as may be delegated by our Board from time to time in the area of remuneration of Directors and/or senior management.

5.3 KEY SENIOR MANAGEMENT

Our Key Senior Management comprises the following:

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Designation</u>
Tan Zong Yuan (M)	35	Malaysian	Group Chief Financial Officer
Teo Hui Seng (M)	51	Malaysian	Vice President of Operations
Yew Seow Kuen (F)	51	Malaysian	Vice President of Supply Chain
Salehaldin Bin Nasron (M)	60	Malaysian	Vice President of Corporate Affairs

Notes:

(M) Male.

(F) Female.

None of our Key Senior Management represent any corporate shareholder. For details on the association of family relationship between our Promoters, Directors and Key Senior Management, please refer to **Section 5.6** of this Prospectus.

5.3.1 Key Senior Management's shareholdings

The direct and indirect shareholdings of our Key Senior Management before and after our IPO are as follows:

<u>Name</u>	<u>Before our IPO</u>				<u>After our IPO</u>			
	<u>Direct</u>		<u>Indirect</u>		<u>Direct</u>		<u>Indirect</u>	
	<u>No. of Shares</u>	<u>(1)%</u>	<u>No. of Shares</u>	<u>(1)%</u>	<u>No. of Shares</u>	<u>(2)%</u>	<u>No. of Shares</u>	<u>(2)%</u>
Tan Zong Yuan (M)	-	-	-	-	⁽³⁾ 100,000	<0.1	-	-
Teo Hui Seng (M)	-	-	-	-	⁽³⁾ 100,000	<0.1	-	-
Yew Seow Kuen (F)	-	-	-	-	⁽³⁾ 100,000	<0.1	-	-
Salehaldin Bin Nasron (M)	-	-	-	-	⁽³⁾ 100,000	<0.1	-	-

Notes:

(1) Based on our issued Shares before our IPO of 750,000,000 Shares following the Pre-IPO Restructuring Exercise, details of which are set out in **Section 6.1.1** of this Prospectus.

(2) Based on our enlarged issued Shares after our IPO of 923,000,000 Shares.

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

- (3) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocation and assuming he/she does not apply for any excess Shares.

Our Key Senior Management, as eligible employees, are entitled to apply for any Excess Shares, on top of their pre-determined allocation under the Pink Form Allocation, as set out in **Section 4.2.3(vii)** of this Prospectus.

5.3.2 Profiles of Key Senior Management

The profiles of our Key Senior Management are as follows:

(i) **Tan Zong Yuan**
Group Chief Financial Officer

Tan Zong Yuan, male, a Malaysian aged 35 is our Group Chief Financial Officer. He heads the Accounting and Finance Department of our Group and is responsible for managing the finance functions of our Group, which include financial planning and review, cash flow management and financial reporting.

He graduated with a Bachelor of Science in Applied Accounting from Oxford Brookes University, United Kingdom in 2012, and was admitted as a member of the Association of Chartered Certified Accountants (ACCA) in 2015. In 2020, he was admitted as a fellow of the ACCA (FCCA). He has been a member of the Malaysian Institute of Accountants (MIA) as a Chartered Accountant since 2021.

He began his career as an Account Assistant at Crescendo Corporation Berhad in 2008. He left Crescendo Corporation Berhad and joined Deloitte KassimChan in 2012 as an Audit Assistant responsible for undertaking auditing of various companies. He left Deloitte KassimChan as Audit Senior in 2014 to join PricewaterhouseCoopers LLP, Singapore as Senior Associate. His role in PricewaterhouseCoopers LLP, Singapore included managing a portfolio of multinational groups and local companies in industries such as property investment, manufacturing, trading and construction. His last position at PricewaterhouseCoopers LLP, Singapore was Manager with the Assurance and Advisory Business Services in 2017.

He then joined IFFCO (Malaysia) Sdn Bhd in 2018 as an associate manager, and subsequently joined MJK Group Sdn Bhd in 2019 as a financial controller. During his tenure with the aforementioned companies, he was responsible for the preparation and monitoring of annual budget and forecast, preparation of management reports, as well as the review and improvement of internal controls and procedures. In 2020, he took up the position of financial controller in Versa Manufacturing Sdn Bhd, which is in the electronics manufacturing services industry and was responsible for directing the management of the finance and accounting teams, treasury management, and overseeing human resources and IT related processes.

He joined our Company as Chief Financial Officer in 2021 and assumed his present role as our Group Chief Financial Officer in 2022.

(ii) **Teo Hui Seng**
Vice President of Operations

Teo Hui Seng, male, a Malaysian aged 51, is our Vice President of Operations and is primarily responsible for the operation functions of our Group.

He graduated from the Malaysian Institute of Management with a Diploma in Management in 2007.

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

He began his career in Matsushita Audio Video (M) Sdn Bhd in 1993 as a Purchasing Assistant at the Purchasing Department and was promoted to Supervisor (1996) at the Sourcing and Development Section of the Purchasing Department and Junior Officer (1998) at the Sourcing and Development Section of the Purchasing Department. He was involved in the sourcing and development of projects and strategic planning for annual purchases.

He left Matsushita Audio Video (M) Sdn Bhd and joined Winsheng Plastic Industry Sdn Bhd as an Assistant Engineer at the Engineering Department in 2001. In 2001, he was promoted to Assistant Manager at the Material Control Department. In 2002, he was promoted to Senior Manager at the same department where he was responsible for handling project management contracts, production planning, material control, purchasing, shipping and sales support.

He left Winsheng Plastic Industry Sdn Bhd and joined DTP Manufacturing (HK) Co. Ltd as the Deputy General Manager in 2005. He was responsible for overseeing the operations of 3 factories. Subsequently he resigned from DTP Manufacturing (HK) Co. Ltd and joined Toyoplas Manufacturing (Malaysia) Sdn Bhd as the Senior Manager, Program Management in 2008. He was responsible for sales, business development and project management.

He left the company and joined Cape Manufacturing (M) Sdn Bhd in 2013 as General Manager and was promoted to Vice President of Management and Business Development in 2019 and was redesignated as Vice President of Operation in 2021.

(iii) Yew Seow Kuen
Vice President of Supply Chain

Yew Seow Kuen, female, a Malaysian aged 51, is our Vice President of Supply Chain and is primarily responsible for planning the supply chain, supplier selection, purchasing, material inventory and management and logistics.

She obtained several Certificates in Electronic Servicing from the Institute of Technical Education, Singapore from 1991 to 1993. In 2019, she obtained her International Executive Master of Business Administration from the Mantissa College, in collaboration with Paris Graduate School of Management.

She began her career in 1991 with Conner Peripheral Pte Ltd, Singapore as a Technician in the Engineering department. She was responsible for samples inspection from vendors and failures analysing with suppliers. She left Conner Peripheral Pte Ltd, Singapore and joined Cam Precision Components (Johor) Sdn Bhd as Quality Engineer in 1993. She was responsible for maintaining and improving supplier qualification process, evaluating and recommending quality assurance sampling plans, and controlling of inspections and materials.

In 1996, she left Cam Precision Components (Johor) Sdn Bhd and joined SPI Plastic Industries (M) Sdn Bhd as Engineer in the Engineering Department. She was responsible for leading new project, analysing and ensuring compliance of customer requirement, supervising all material and cost engineering activities, providing training of inspection criteria to all internal in- process quality control and quality assurance department. In 2001, she left SPI Plastic Industries (M) Sdn Bhd and joined Kyotech (M) Sdn Bhd as Assistant Manager of the Customer Service Department. She was responsible for developing new plans to build business with specific target customers, coordinating with internal and external customers, leading and managing projects, and maintaining high level contact with customers.

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

In 2002, she left Kyotech (M) Sdn Bhd and joined MTP Engineering (M) Sdn Bhd (now known as Toyoplas Manufacturing (M) Sdn Bhd) as Quality Assurance and Engineering Manager. She was responsible for the management of the quality assurance department and ensuring that the project timelines were complied with.

She left Toyoplas Manufacturing (M) Sdn Bhd and joined Flextronics Technology (M) Sdn Bhd as an Assistant Manager, Procurement in 2006. She was responsible for the sourcing of material supplies, material price comparison and the management of material costs.

Subsequently, she left Flextronics Technology (M) Sdn Bhd in 2009 and joined Lucas Automotive Sdn Bhd as the Supply Chain Manager in 2010. She was responsible for inventory and warehouse management, overseeing supply chain and fulfilment of customers' orders. She was promoted as the Supply Chain Senior Manager in 2014.

In 2017, she left Lucas Automotive Sdn Bhd and joined Flextronics Shah Alam Sdn Bhd as Senior Materials Manager at the Material Department. She was responsible for leading the respective global material teams in Malaysia and India on material supplies, qualifying suppliers and overseeing the materials planning process.

In 2018, she joined our Company as a Vice President of Management. In 2021, she assumed her present role as the Vice President of Supply Chain of our Company.

(iv) Salehaldin Bin Nasron

Vice President of Corporate Affairs

Salehaldin Bin Nasron, male, a Malaysian aged 60 is our Vice President of Corporate Affairs and is primarily responsible for corporate communications, government liaison and corporate governance of our Group.

He obtained his Diploma in Banking Studies from MARA Institute of Technology (now University of Technology MARA) in 1983 and Bachelor of Business Administration from the Ohio University, United States in 1985. In 2012, he graduated with a Master of Business Administration from the University of Manchester, United Kingdom.

He started his career in 1985 as Accountant in the Finance Division of Goodyear Malaysia Berhad and was promoted to Manager, Treasury Operations (1992), Accounting Manager (1995), Corporate Accounting Manager (1997), Comptroller (2000) and General Manager Finance and Information System Development (2002). During his tenure in Goodyear Malaysia Berhad, he was primarily responsible for accounting, financial and company secretarial matters.

From 2003 to 2006, he was the Financial Advisor and Controller for PT Goodyear Indonesia Terbuka, Indonesia, a subsidiary of The Goodyear Tire and Rubber Company, USA. He was primarily responsible for financial accounting, costing, credit control and budgeting.

From 2006 to 2008, he was the Chief Financial Officer for the Asia Pacific region based in Kuala Lumpur for Cognis Oleochemicals (M) Sdn Bhd, a joint venture company between Cognis GmbH Germany and Malaysia's Golden Hope Plantations Berhad. He was responsible for the overall finance, purchasing and information technology matters in the company.

He left Cognis Oleochemicals (M) Sdn Bhd, Indonesia and joined PT Titan Kimia Nusantara Tbk (now known as PT Lotte Chemical Titan Nusantara), Indonesia as the Finance Director in 2008, where he was responsible for finance matters.

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

He joined Titan Petchem (M) Sdn Bhd (currently known as Lotte Chemical Titan (M) Sdn Bhd) as Treasurer in 2009, where he was primarily responsible for treasury and credit control. He was later redesignated as the Vice President of Corporate Affairs in 2010, where he was primarily responsible for government relation, corporate communication and public relations. He was redesignated as Treasurer and Vice President of Corporate Affairs (2012), Treasurer and Vice President of Government Affairs (2014), Treasurer and Vice President of Corporate Affairs (2015).

He joined Lotte Chemical Titan Corporation Sdn Bhd as the Vice President of Corporate Affairs and Chief Information officer in 2017 and was redesignated as Vice President, Human Resources, Admin, IT, and Plant Government Affairs in 2018. He was primarily responsible for human resources, admin, IT, and plant government affairs.

In 2020, he joined our Company as Group Corporate Affairs Director and was redesignated as the Vice President of Corporate Affairs in 2021.

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

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

Save as disclosed below, our Key Senior Management confirm that they do not have any other principal directorships and principal business activities outside our Group as at the LPD and in the past 5 years preceding the LPD:

(i) **Tan Zong Yuan**

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u> Golt Properties Sdn Bhd	To carry on the business of property investment, property management and other related business	Director and shareholder	9 December 2019	-	25.0	-
<u>Past involvement</u> Tang Tang Food & Beverage Enterprise	Food stalls/ hawkers	Sole proprietor ⁽¹⁾	17 August 2020	17 April 2022	-	-

Note:

- (1) The business was transferred to Tan Zong Yuan's spouse on 17 April 2022, who has always been involved in its day-to-day operations. Tang Zong Yuan's involvement only limits to the initial set-up capital contribution and strategic decision on the business.

(ii) **Teo Hui Seng**

Teo Hui Seng does not have any principal business activities including principal directorships outside our Group as at the LPD and did not have any principal business activities including principal directorships outside our Group in the past 5 years preceding the LPD.

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

(iii) Yew Seow Kuen

Company	Principal activities	Involvement	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Valsync Manufacturing (M) Sdn Bhd	Manufacturing of plastic tableware, kitchenware and toilet articles	Director and shareholder	7 November 2019	-	10.0	-
Infinite Supplies	Retail sale of souvenirs, craft works and religious articles	Partner	15 July 2018	-	-	-
Food in Garden Sdn Bhd	Food Restaurant	Shareholder	-	-	13.5	-
<u>Past involvement</u>						
Food in Garden Sdn Bhd	Food Restaurant	Director	5 April 2017	30 September 2019	13.5	-

(iv) Salehaldin Bin Nasron

Salehaldin Bin Nasron does not have any principal business activities including principal directorships outside our Group as at the LPD and did not have any principal business activities including principal directorships outside our Group in the past 5 years preceding the LPD.

Our Board is of the view that the involvement of our Key Senior Management mentioned above in the other principal business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group in their respective roles as our Key Senior Management, as they are not involved in the management and day-to-day operations of these businesses outside our Group, other than attending meetings of the board of directors on which they serve. These businesses outside our Group do not require their involvement on a daily basis as these businesses are managed by their respective management.

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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)
5.3.4 Key Senior Management's remuneration and material benefits in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation) paid or proposed to be paid to our other Key Senior Management for services rendered in all capacities to our Group for the FYE 2022 and FYE 2023 are as follows:

Key Senior Management	Remuneration band	
	FYE 2022 (paid)	FYE 2023 (proposed)
	RM	RM
Tan Zong Yuan	250,000 – 300,000	350,000 – 400,000
Teo Hui Seng	200,000 – 250,000	300,000 – 350,000
Yew Seow Kuen	300,000 – 350,000	400,000 – 450,000
Salehaldin Bin Nasron	200,000 – 250,000	200,000 – 250,000

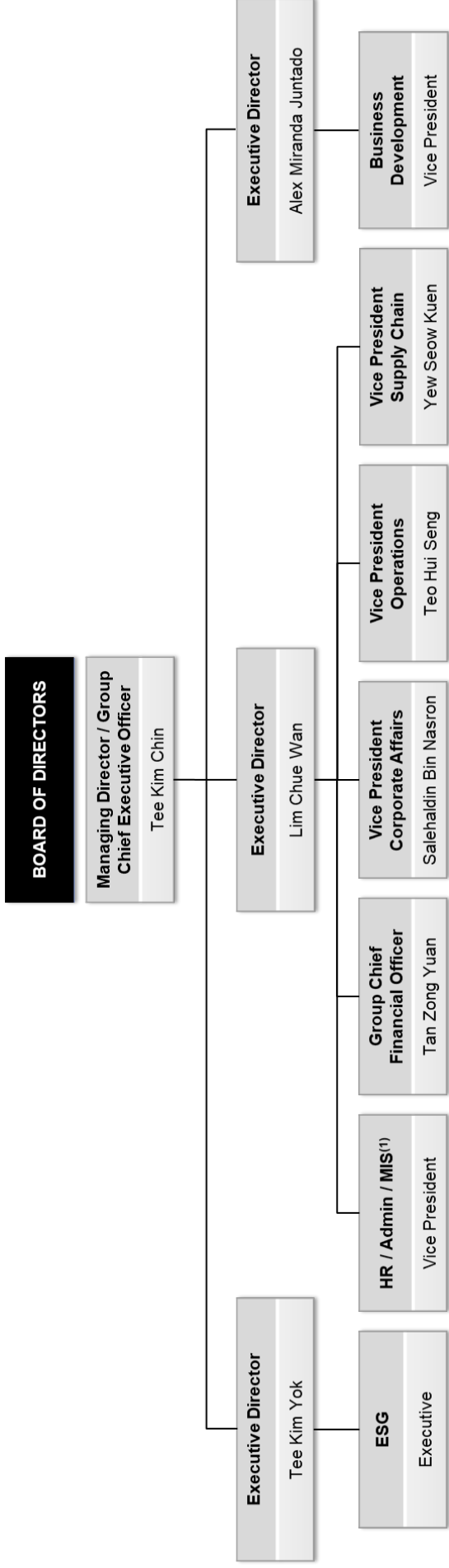
The remuneration of our Key Senior Management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nominating Committee, Remuneration Committee and subsequently approved by our Board.

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

5.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



Note:

(1) Human Resource / Administrative / Management Information System Departments.

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

5.5 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he or she was a partner, or any corporation of which he or she was a director or member of key senior management in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceedings in the last 10 years;
- (iv) any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his or her part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his or her part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him or her from engaging in any type of business practice or activity;
- (vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; and
- (viii) any unsatisfied judgment against such person.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Tee Kim Chin and Tee Kim Yok, both of whom are our Promoters, substantial shareholders and Non-Independent Executive Directors, are sisters.

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

5.7 SERVICE AGREEMENTS

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

5.8 MANAGEMENT SUCCESSION PLAN

Our Group has implemented a management succession plan, where we have put in place a process to groom selected employees to gradually assume the responsibilities of senior management. Our Group's strategy for management continuity is driven by our Key Senior Management.

In summary, we have taken the following steps, in the event of any planned or unplanned changes in our Key Senior Management:

- (i) identifying talented employees, where our Key Senior Management identifies middle management staff to gradually assume responsibilities of senior management by recognising the key competencies and requirements of these employees;

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

- (ii) career development and progression, which is done through on-the-job training as well as mentoring, coaching and training programs. Our Key Senior Management will continue to groom middle management personnel to gradually assume greater responsibilities after reviewing each employee's capability, knowledge, skills, leadership and performance contribution; and
- (iii) competitive remuneration and benefits to reward our performing employees and to retain their services with our Group.

In addition, we also ensure that our middle management personnel are constantly exposed to various aspects of our business activities. This enables our middle management personnel to acquire an understanding of the business so that they are adequately equipped with the necessary knowledge for them to advance to higher senior management positions.

If the need arises, we will recruit qualified and competent personnel with knowledge and expertise of our business to enhance our operations. By enhancing our corporate profile as a listed issuer, we expect to be able to attract more qualified personnel to play an active role in the growth and success of our Group.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Companies Act 1965 on 21 December 1999 as a private limited company under the name of Imptec Electronics Sdn Bhd and is deemed registered under the Act. Our Company changed its name to Seksun Electronics Sdn Bhd (14 July 2000), Seksun Array Sdn Bhd (3 March 2005) and Toyoplas EMS Manufacturing (M) Sdn Bhd (14 March 2011).

For details in relation to our Company's historical business activities, directors and shareholders since its inception up to year 2013, please refer to **Annexure A** of this Prospectus.

In August 2011, Tee Kim Chin (who was the Chief Executive Officer and a director of Toyoplas EMS Manufacturing (M) Sdn Bhd from 2010 to 2013) acquired 4.0 million Shares, representing 20.0% equity interest in Toyoplas EMS Manufacturing (M) Sdn Bhd at the time, from Seksun Array Technology Pte Ltd for approximately RM0.5 million. Subsequently, in February 2013, she disposed the 4.0 million Shares, representing 20.0% equity interest in Toyoplas EMS Manufacturing (M) Sdn Bhd at the time, to Lim Lai An and Lim Hui Bian (who were both Directors of our Company at that time), for a consideration of RM3.0 million and RM1.0 million respectively, when she resigned as the Chief Executive Officer and director of Toyoplas EMS Manufacturing (M) Sdn Bhd in January 2013.

In May 2013, Tee Kim Chin acquired 12.0 million Shares, representing 60.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) for a purchase consideration of RM12.0 million from Lim Lai An while Alex Miranda Juntado acquired the remaining 8.0 million Shares, representing 40.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) for a purchase consideration of RM8.0 million from Lim Lai An and Lim Hui Bian. Following further allotments of 18.0 million Shares to Tee Kim Chin in March and September 2020, and the allotment of 2.0 million Shares to Alex Miranda Juntado in March 2020, Tee Kim Chin and Alex Miranda Juntado's equity interest in our Company were 75.0% and 25.0% respectively.

Thereafter, in July 2013, our Company changed its name to Cape EMS Manufacturing (M) Sdn Bhd. In January 2020, our Company acquired the beneficial interest of the entire share capital of (i) Cape Manufacturing from Tee Kim Chin and Alex Miranda Juntado for purchase consideration of approximately RM3.8 million and approximately RM1.8 million respectively; and (ii) Cape Singapore from Tee Kim Chin and Alex Miranda Juntado for purchase consideration of SGD0.3 million and SGD0.2 million respectively. In July 2021, Alex Miranda Juntado disposed all of his equity interest amounting to 25.0% of the equity interest in our Company to Tee Kim Yok for a sale consideration of RM10.0 million.

On 9 May 2022, our Company was converted into a public limited company under the name of Cape EMS Manufacturing (M) Berhad. Our Company assumed its present name on 27 May 2022.

Our Company is principally an investment holding company and is involved in electronics manufacturing services. Through our Subsidiaries, we are also involved in aluminium die casting and electronics manufacturing services and supply of electronic products and related activities.

Please refer to **Section 6.3** of this Prospectus for more details of the principal activities of our subsidiaries. We do not have any joint venture company and associated companies.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.1 Pre-IPO Restructuring Exercise

(i) Conversion of ICPS

Our Company had, on 31 December 2021, undertaken an issuance of ICPS to identified investors. The details of the identified investors and their respective subscription price to the ICPS are as follows:

<u>Date of allotment</u>	<u>Name of investor</u>	<u>Number of ICPS subscribed</u>	<u>Subscription price (per ICPS) (RM)</u>	<u>Total proceeds (RM)</u>
31 December 2021	Fortress	57,000,000	1.00	57,000,000
31 December 2021	AOF	3,000,000	1.00	3,000,000
Total		60,000,000		60,000,000

Subsequently, Fortress and AOF, had on 20 April 2022 converted all of the existing ICPS into new Shares. Upon completion of the conversion of all the ICPS, our Company's resultant issued share capital had increased from RM40,000,000 comprising 40,000,000 Shares to RM100,000,000 comprising 50,000,000 Shares.

(ii) Share Split

Our Company had on 27 April 2022 undertaken a subdivision of every 1 existing Share into 15 Shares.

Upon completion of the Share Split, the resultant number of Shares in the issued share capital of our Company was 750,000,000 Shares. The Share Split had not resulted in any change to our Company's cumulative value of issued share capital.

(iii) Shareholding Restructuring with Fortress and AOF

Fortress' ICPS Subscription before Shareholding Restructuring with Fortress

Pursuant to the share subscription agreement dated 28 June 2021 entered into between our Company, Tee Kim Chin, Tee Kim Yok, Alex Miranda Juntado and Fortress (as investor) ("**Fortress SSA**"), our Company issued 57,000,000 ICPS to Fortress at the subscription price of RM57,000,000 on 31 December 2021.

By virtue of the letter of undertaking dated 28 June 2021 from Tee Kim Chin to Fortress (given pursuant to the Fortress SSA) ("**LOU to Fortress**"), Tee Kim Chin provided a profit warranty to Fortress for herself and also on behalf of Tee Kim Yok.

Subsequently, by virtue of the addendum dated 16 May 2022 (i) to the LOU to Fortress and (ii) to the undertaking by Tee Kim Chin to purchase the ICPS held by Fortress, the parties clarified the calculation of the profit warranty and Tee Kim Chin agreed to purchase from Fortress 142,500,000 Shares⁽¹⁾ in the event the Company is not listed by 30 November 2024.

Note:

- (1) Being 9,500,000 Shares which had been issued to Fortress on 20 April 2022 pursuant to the conversion of its ICPS, upon completion of the Share Split on 27 April 2022.

6. INFORMATION ON OUR GROUP (Cont'd)AOF's ICPS Subscription before the Shareholding Restructuring with AOF

Pursuant to the share subscription agreement (co-investor) dated 28 September 2021 entered into between AOF (as co-investor)⁽¹⁾, our Company, Tee Kim Chin, Tee Kim Yok, and Fortress (as lead investor)⁽¹⁾ ("**AOF SSA**"), our Company issued 3,000,000 ICPS to AOF at the subscription price of RM3,000,000 on 31 December 2021.

By virtue of the letter of undertaking dated 28 September 2021 from Tee Kim Chin to AOF (given pursuant to the AOF SSA) ("**LOU to AOF**"), Tee Kim Chin provided a profit warranty to AOF for herself and also on behalf of Tee Kim Yok.

Subsequently, by virtue of the addendum dated 16 May 2022 (i) to the LOU to AOF and (ii) to the undertaking by Tee Kim Chin to purchase the ICPS held by AOF, the parties clarified the calculation of the profit warranty and Tee Kim Chin agreed to purchase from AOF 7,500,000 Shares⁽²⁾ in the event the Company is not listed by 30 November 2024.

Notes:

- (1) Pursuant to the AOF SSA, AOF delegated authority to Fortress for the latter to act on its behalf in matters related to, among others, Board representation, Board approval matters and restrictions on transfers of Shares by Tee Kim Chin and Tee Kim Yok prior to a public listing of our Company. In this regard, AOF is considered as a co-investor whereas Fortress is the lead investor in our Company.
- (2) Being 500,000 Shares which had been issued to AOF on 20 April 2022 pursuant to the conversion of its ICPS, upon completion of the Share Split on 27 April 2022.

Shareholding Restructuring with Fortress and AOF

Pursuant to (a) the supplementary agreement to the Fortress SSA dated 27 June 2022 between our Company, Tee Kim Chin, Tee Kim Yok, and Fortress; and (b) the supplementary agreement to the AOF SSA dated 27 June 2022 between our Company, Tee Kim Chin, Tee Kim Yok, and AOF, Fortress, AOF, Tee Kim Chin and Tee Kim Yok agreed to settle the said profit warranty through the transfer by Tee Kim Yok of 10,687,500 Shares (representing 1.4% of the issued share capital of 750,000,000 Shares prior to our IPO) to Fortress and 562,500 Shares (representing 0.1% of the issued share capital of 750,000,000 Shares prior to our IPO) to AOF. Upon the completion the Shareholding Restructuring with Fortress and AOF, the resultant shareholding of the existing shareholders of our Company are as follows:

<u>Shareholder</u>	<u>No. of Shares held</u>	<u>(1)%</u>
Tee Kim Chin	450,000,000	60.0
Tee Kim Yok	138,750,000	18.5
Fortress	153,187,500	20.4
AOF	8,062,500	1.1

Note:

- (1) Based on the issued share capital of our Company of 750,000,000 Shares prior to our IPO.

6. INFORMATION ON OUR GROUP (Cont'd)**6.1.2 Share capital and changes in share capital**

As at the LPD, the issued share capital of our Company is RM100,000,000 comprising 750,000,000 Shares.

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

(i) ordinary shares

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Nature of transaction</u>	<u>No. of cumulative Shares</u>	<u>Cumulative issued share capital (RM)</u>
21 December 1999	3	Subscriber's share	3	3
26 May 2000	2,499,997	Otherwise than cash	2,500,000	2,500,000
30 September 2002	302,109	Cash	2,802,109	2,802,109
30 September 2002	10,197,891	Otherwise than cash	13,000,000	13,000,000
28 May 2004	7,000,000	Otherwise than cash	20,000,000	20,000,000
16 March 2020	5,000,000	Otherwise than cash ⁽¹⁾	25,000,000	25,000,000
7 September 2020	15,000,000	Cash	40,000,000	40,000,000
20 April 2022	10,000,000	Conversion of ICPS	50,000,000	100,000,000
27 April 2022	700,000,000	Share Split	750,000,000	100,000,000

(ii) ICPS

<u>Date of allotment</u>	<u>No. of ICPS allotted/ (Redeemed)</u>	<u>Nature of transaction</u>	<u>No. of cumulative ICPS</u>	<u>Cumulative issued share capital (RM)</u>
31 December 2021	60,000,000 ICPS	Cash	60,000,000	60,000,000
20 April 2022	(60,000,000) ICPS	Conversion of ICPS	-	-

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

Upon the completion of our IPO, our enlarged issued share capital will increase from RM100,000,000 comprising 750,000,000 Shares to RM251,314,177 comprising 923,000,000 Shares.

Note:

- (1) The Shares were allotted by way of capitalising against credit balance in the amount owing to Tee Kim Chin, our Director.

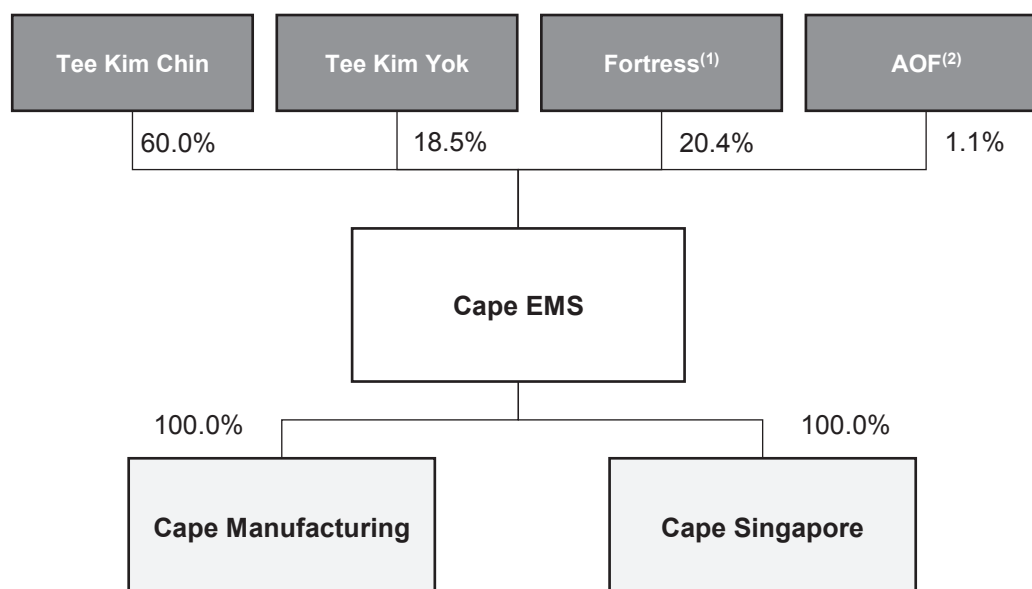
6. INFORMATION ON OUR GROUP (Cont'd)

6.2 OUR GROUP STRUCTURE

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

After the Pre-IPO Restructuring and before our IPO

Our Group structure including our Subsidiaries after the Pre-IPO Restructuring and before our IPO is as follows:



Notes:

- (1) Fortress, a company incorporated on 19 November 2002 as a private limited company in Malaysia under the Act, is a substantial shareholder of our Company. The principal activity of Fortress is asset management. Fortress holds the Shares on trust for its clients, being the Investors, who are the beneficial owners of the Shares. As such, the Investors have an individual right over the Shares held by Fortress. Notwithstanding the above, Fortress has full authority, power and discretion to exercise, on behalf of the Investors, all voting and other rights relating to the securities held as part of the investment portfolios. Please refer to **Section 5.1.2(iii)** of this Prospectus for the profile of Fortress.

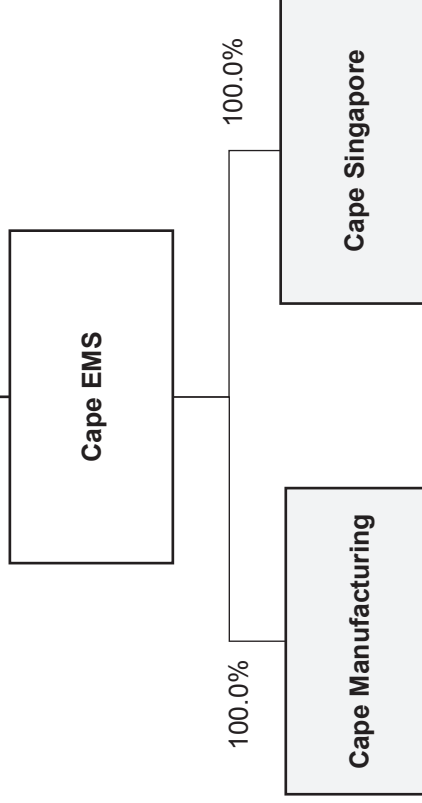
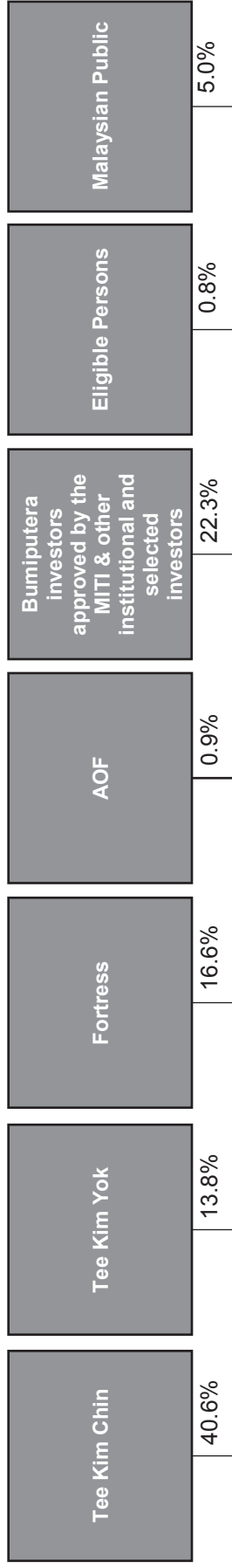
On 6 July 2022, the SC had, vide its letter on even date, approved the relief application submitted by HLIB, on behalf of our Company, from having to disclose the details on the ultimate beneficial owners of Shares held by Fortress. Please refer to **Section 2.1.1(ii)** of this Prospectus for more details on the relief application submitted to the SC.

- (2) AOF is fund registered under the laws of Cayman Islands. It is a discretionary fund managed by its investment managers. AOF holds the Shares on trust for its members. AOF falls within the definition of a “**mutual fund**” in terms of the Mutual Funds Law (Revised) of the Cayman Islands and accordingly, is regulated under the Mutual Funds Law. As such, none of the ultimate beneficial owners of AOF have an individual right over the Shares held by AOF.

6. INFORMATION ON OUR GROUP (Cont'd)

After our IPO

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



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

As at the LPD, our Company has 2 Subsidiaries and does not have any associates or joint venture company. Our Subsidiaries as at the LPD are as follows:

Name and Registration number	Date/ Country of incorporation	Share capital	Our equity interest (%)	Principal activities/ Principal place of business
Cape Manufacturing Registration No.: 201001010428 (895065-A)	25 March 2010/ Malaysia	RM10,000,000 comprising 10,000,000 ordinary shares	100.0	Aluminium die cast manufacturing and electronics manufacturing services/ No. 22 (Lot 1582), Jalan Temenggong 2, Kawasan Perindustrian Temenggong Mukim Tebrau 81100 Johor Bahru, Johor Darul Ta'zim, Malaysia No. 6, Jalan Belati, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor Darul Ta'zim
Cape Singapore Registration No.: 200509673M	14 July 2005/ Singapore	SGD10,000 comprising 10,000 ordinary shares	100.0	Supply of electronic products and related activities/ No 18, Sin Ming Lane, #08-17 Midview City, Singapore 573960

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

6.3.1 Cape Manufacturing

Cape Manufacturing was incorporated in Malaysia under the Companies Act, 1965 on 25 March 2010 as a private limited company under the name of Cape Evergreen Sdn Bhd and is deemed registered under the Act. It subsequently changed its name to Cape Manufacturing (M) Sdn Bhd on 5 September 2012.

Cape Manufacturing is principally involved in aluminium die cast manufacturing and electronics manufacturing services⁽¹⁾.

Note:

- (1) Save for NextCentury and Next Meters, LLC, which are served by Cape Manufacturing, all the Group's EMS customers under our Group's EMS segment are served by Cape EMS. NextCentury and Next Meters have a common shareholder. Cape Manufacturing originally provided die casting services for the aluminium enclosure required for NextCentury's products, and eventually expanded to provide EMS for NextCentury's products. Cape Manufacturing worked with NextCentury, the brand and design owner, on the product design of NextCentury and Next Meters, LLC.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, the issued share capital of Cape Manufacturing is RM10,000,000 comprising 10,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Cape Manufacturing for the past 3 years preceding the LPD:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>	
			<u>No. of ordinary shares</u>	<u>RM</u>
5 August 2019	500,000	Cash	2,500,000	2,500,000
30 December 2022	(¹)7,500,000	Otherwise than cash	10,000,000	10,000,000

Note:

- (1) The allotment of the additional 7.5 million ordinary shares in Cape Manufacturing to Cape EMS was by way of capitalisation of the total amount owing to Cape EMS of RM7.5 million. The said capitalisation was to improve the gearing ratio and current ratio of Cape Manufacturing.

As at the LPD, Cape Manufacturing does not have any outstanding warrants, options, convertible securities or uncalled capital. Cape Manufacturing is our wholly-owned direct subsidiary. Cape Manufacturing does not have any subsidiary, associate company or joint venture as at LPD.

6.3.2 Cape Singapore

Cape Singapore was incorporated in Singapore on 14 July 2005 as a private limited company under the name of Aerocraft Pte Ltd and deemed registered under the laws of Singapore. Our company changed its name to APL Toyo Pte Ltd (with effect from 26 February 2007), Toyoplas UK Pte Ltd (with effect from 28 October 2010), Cape ACV Holdings Pte Ltd (with effect from 21 March 2014) and Cape Holding (S) Pte Ltd (with effect from 27 January 2016) before assuming its current name with effect from 24 February 2016.

Cape Singapore is principally involved in supply of electronic products and related activities. For the Period Under Review and up to the LPD, (i) the electronic products supplied by Cape Singapore referred to smart utility data collection equipment of NextCentury and Next Meters (the revenue of which is recognised under the provision of EMS segment); and (ii) related activities refer to testing services in Singapore (the revenue of which is recognised under the supporting services segment). There were no testing services carried out in Singapore during the Period Under Review.

As at the LPD, the issued share capital of Cape Singapore is SGD10,000 comprising 10,000 ordinary shares. There has been no change in the issued share capital of Cape Singapore for the past three years preceding the LPD.

As at the LPD, Cape Singapore does not have any outstanding warrants, options, convertible securities or uncalled capital. As at the LPD, Cape Singapore is our wholly-owned direct subsidiary. Cape Singapore does not have any subsidiary, associate company or joint venture as at LPD.

6.4 PUBLIC TAKE-OVERS

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

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

6. INFORMATION ON OUR GROUP (Cont'd)**6.5 CAPITAL EXPENDITURES AND DIVESTITURES****6.5.1 Capital expenditures**

Save as disclosed below, there was no other material capital expenditures incurred by our Group for the Period Under Review and up to the LPD:

Description	FYE 2019	FYE 2020	FYE 2021	FPE 2022	Between 1 October 2022 up to the LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Freehold land ⁽¹⁾	-	-	6,364	-	-
Leasehold land ⁽¹⁾	2,852	6,472	16,333	7,512	-
Factory buildings ⁽¹⁾	3,690	16,684	18,676	10,230	-
Plant and machinery ⁽²⁾	719	20,000	76,271	6,755	165
Equipment, furniture and fittings ⁽³⁾	1,927	1,876	2,565	2,701	68
Renovation and electrical installation ⁽⁴⁾	1,537	3,004	2,627	2,460	38
Capital work in- progress ⁽⁵⁾	-	105	4,769	6,604	562
Total	10,725	48,141	127,605	36,262	833

Notes:

- (1) Relates to the purchase of the following for the respective FYE 2019, FYE 2020, FYE 2021 and FPE 2022:

FYE/ FPE	Factory	Freehold Land (RM'000)	Leasehold Land (RM'000)	Factory Buildings (RM'000)
2019	PLO 103 Factory	-	2,852	3,690
2020	Senai 227 Factory	-	6,472	16,684
2021	Extension of the Senai 227 Factory	-	-	12,504
2021	Kempas 6 Factory	2,700	-	3,555
2021	Temenggong 22 Factory	3,664	-	2,617
2021	PLO 226B and PLO 227B	-	16,333	-
2022	Extension of the Senai 227 Factory	-	-	197
2022	Tebrau 6 Factory	-	7,512	10,033
	Total	6,364	33,169	49,280

- (2) Relates mainly to the purchase of the following:

- (i) machinery and equipment for setting up of production lines for wireless communication equipment in FYE 2019;
- (ii) plant and machinery mainly comprising 2 SMT lines and 2 CNC machines in FYE 2020;

6. INFORMATION ON OUR GROUP (Cont'd)

- (iii) 11 automation lines, 6 die casting machines, 6 melting and holding furnaces in FYE 2021;
- (iv) 3 automation lines located in our Senai 227 Factory, 2 die casting machines located in our Temenggong 22 Factory in FPE 2022; and
- (v) machinery and equipment for setting up of electronic cigarette production lines as at LPD.

Our increased investment in machinery and equipment during the Period Under Review have enabled us to expand our EMS business and increase our production capacity to meet increased orders from our customers. We do not foresee any unfavourable impact from our increased investment in machinery and equipment used in our EMS operations, including the production lines for wireless communication equipment, the automated production lines and the SMT lines for the Period Under Review as the production lines can be reconfigured for other customers with similar EMS processes, while the SMT lines can be used in our value-added service to support our clients in their new product introduction process.

In relation to our investment in machinery and equipment for our aluminium die cast manufacturing operations, including the CNC machines, the die casting machines as well as the furnaces, the machinery and equipment will increase our total production capacity and cater for our business expansion including to support the expansion of our business, as our in-house aluminium die cast manufacturing facility provides supporting services for our EMS operations.

Our investment in machinery and equipment are funded by a combination of internally generated funds and bank borrowings. For the Period Under Review and up to the LPD, we have not defaulted on any payments of either the principal or interests in relation to our bank borrowings.

- (3) Relates mainly to the purchase of factory equipment, office equipment, computers and software, furniture, fittings and air conditioners at Senai 227 Factory and Temenggong 22 Factory.
- (4) Relates mainly to renovation and electrical installation works for PLO 103 Factory, Senai 227 Factory and Temenggong 22 Factory.
- (5) Relates mainly to capital work-in-progress comprising, among others, installation of automation lines at Senai 227 Factory in FYE 2021, installation of assembly line at Senai 227 Factory in FPE 2022 and renovation works at Senai 227 Factory in FPE 2022.

Our material capital expenditure was primarily funded via a combination of bank borrowings, proceeds from the issuance of the ICPS and internally generated funds.

6.5.2 Material capital divestitures

We do not have any material capital divestitures for the Period Under Review and as at the LPD.

7. BUSINESS OVERVIEW

7.1 OVERVIEW OF OUR BUSINESS

7.1.1 Business history and milestones

Our Company was incorporated in Malaysia under the Companies Act 1965 on 21 December 1999 as a private limited company, under the name of Imptec Electronics Sdn Bhd, by 3 unrelated third party individuals⁽¹⁾, with the principal activity of assembling and manufacturing of electronic components and printed circuit boards.

After our incorporation in 1999, there had been several changes to the shareholdings and Directors of our Company involving unrelated third parties⁽¹⁾. For details in relation to our Company's historical business activities, Directors and shareholders since its inception up to year 2013, please refer to **Annexure A** of this Prospectus.

We changed our name to Seksun Electronics Sdn Bhd (14 July 2000) after Seksun Corporation Limited, a public company listed on the Main Board of the Singapore Exchange, acquired 56.0% equity interest at that time from one of the then shareholders of our Company⁽¹⁾ in July 2000. Thereafter, between September 2002 and January 2005, Seksun Corporation Limited increased its equity interest in our Company to 100.0% equity interest, making Seksun Electronics Sdn Bhd a wholly-owned subsidiary of Seksun Corporation Limited.

In February 2005, Seksun Corporation Limited disposed its entire shareholding in Seksun Electronics Sdn Bhd to Seksun Array Technology Pte Ltd, a subsidiary of Seksun Corporation Limited, therefore our Company became an indirect subsidiary of Seksun Corporation Limited. Subsequently, our Company changed its name to Seksun Array Sdn Bhd (3 March 2005). In February 2008, Seksun Corporation Limited sold its assets and business undertakings, including Seksun Array Sdn Bhd, to Supernova Holdings (Singapore) Pte Ltd, a wholly owned-subsiary of Supernova (Cayman) Limited.

Thereafter, in November 2010, Tee Kim Chin and Lim Lai An were appointed as Directors, upon the resignation of all of the then existing Directors, who were all unrelated third party individuals⁽¹⁾. On 14 March 2011, Seksun Array Sdn Bhd changed its name to Toyoplas EMS Manufacturing (M) Sdn Bhd. In August 2011, Tee Kim Chin acquired 4.0 million Shares, representing 20.0% equity interest of our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) at the time, from Seksun Array Technology Pte Ltd for approximately RM0.5 million. Tee Kim Chin was the Chief Executive Officer and a Director of our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) until January 2013. Subsequently, in February 2013, Tee Kim Chin disposed her 4.0 million Shares, representing 20.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) at the time, to Lim Lai An and Lim Hui Bian (who were both Directors of our Company⁽¹⁾ at that time), for a consideration of RM3.0 million and RM1.0 million respectively, when she resigned as the Chief Executive Officer and Director of our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) in January 2013. After the said disposal by Tee Kim Chin, Lim Lai An and Lim Hui Bian held 95.0% and 5.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) respectively.

The history of our business can be traced back to May 2013, when Tee Kim Chin acquired 12.0 million Shares, representing 60.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) for a purchase consideration of RM12.0 million from Lim Lai An, and Alex Miranda Juntado acquired the remaining 8.0 million Shares, representing 40.0% equity interest in our Company (then known as Toyoplas EMS Manufacturing (M) Sdn Bhd) for a purchase consideration of RM8.0 million from Lim Lai An and Lim Hui Bian. Lim Lai An and Lim Hui Bian also ceased being the Directors of our Company in May 2013. The acquisitions by Tee Kim Chin and Alex Miranda Juntado was pursuant to their intention to venture into the EMS business. Tee Kim Chin and Alex Miranda Juntado became the Directors of our Company since May 2013. Following further allotments of 18.0 million Shares to Tee Kim Chin in March and September 2020, and the allotment of 2.0 million Shares to Alex Miranda Juntado in March 2020, Tee Kim Chin and Alex Miranda Juntado's equity interest in our Company were 75.0% and 25.0% respectively.

(1) Such third parties are not related to our existing Promoters, Directors, Key Senior Management and/or shareholders.

7. BUSINESS OVERVIEW (Cont'd)

In July 2013, the Company changed its name from Toyoplas EMS Manufacturing (M) Sdn Bhd to Cape EMS Manufacturing (M) Sdn Bhd and continued with the provision of electronics manufacturing services (EMS) for industrial electronic products mainly wireless communication equipment as its principal activity.

In January 2020, our Company acquired the beneficial interest of the entire share capital of (i) Cape Manufacturing from Tee Kim Chin and Alex Miranda Juntado for purchase consideration of approximately RM3.8 million and approximately RM1.8 million respectively; and (ii) Cape Singapore from Tee Kim Chin and Alex Miranda Juntado for purchase consideration of SGD0.3 million and SGD0.2 million respectively.

In July 2021, Alex Miranda Juntado disposed all of his equity interest amounting to 25.0% of the equity interest in our Company to Tee Kim Yok for a sale consideration of RM10.0 million.

On 9 May 2022, our Company was converted into a public limited company under the name of Cape EMS Manufacturing (M) Berhad. Our Company assumed its present name on 27 May 2022.

The table below sets out the key events and milestones in the history and development of our business:

Year	Key Events and Milestones
2013 – 2018	<ul style="list-style-type: none"> • Our Promoter, Tee Kim Chin and Alex Miranda Juntado acquired the entire equity interest in Toyoplas EMS Manufacturing (M) Sdn Bhd and changed its name to Cape EMS Manufacturing (M) Sdn Bhd in July 2013. • Subsequent to the acquisition, our Company continued to provide EMS for industrial electronic products mainly wireless communication equipment for Ruckus Wireless Inc. (“EMS for Ruckus Business Unit”) from a rented factory located in Johor. • In September 2017, our Company divested the EMS for Ruckus Business Unit to an unrelated third party, Kaifa Technology Malaysia Sdn Bhd (“Kaifa”) for RM9.3 million arising from a proposal by Kaifa for the said acquisition. • In October 2018, our Company entered into a sale and purchase agreement with an unrelated third party, Flextronics Technology (Malaysia) Sdn Bhd, for the acquisition of Senai 227 Factory for RM22.0 million to provide EMS for Mimosa Networks, a wireless communication equipment manufacturer from the USA. The acquisition was completed in FYE 2020.
2019 - 2021	<ul style="list-style-type: none"> • Prior to the completion of the acquisition, we leased the Senai 227 Factory between 2019 and 2020 to commence our EMS for box build products. • Since September 2019, we have been providing EMS to Mimosa Networks for various models of products. We are qualified by Mimosa Networks as their EMS provider. • We continued to expand our customer portfolio to offer our EMS for new product applications and industries between 2019 and 2020 including the following: <ul style="list-style-type: none"> - expanded our industrial electronic products portfolio by securing various orders for provision of EMS for smart utility devices for a customer from Japan in 2019 with a minimal revenue of RM0.1 million from pilot assembled sample products, and POS terminals, digital vending machines and portable printer power desks in 2020; and

7. BUSINESS OVERVIEW (Cont'd)

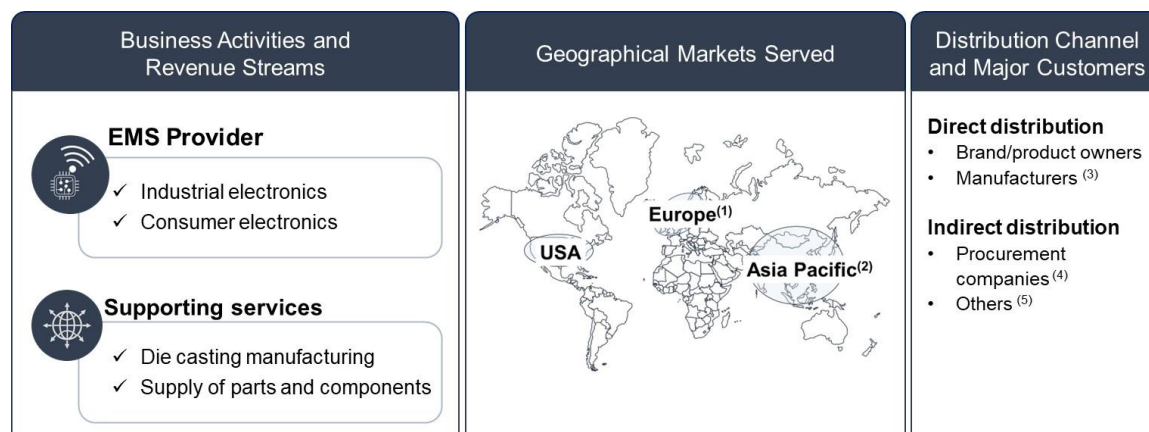
Year	Key Events and Milestones
	<ul style="list-style-type: none"> - expanded into consumer electronic products where we secured orders for provision of EMS for cordless vacuum cleaners and electronic cigarettes in 2019 and 2020 respectively. We were approached by K & Q from Singapore who was looking for a company in Johor with EMS in box build capabilities but with no existing customer who manufacture the same product. K & Q appointed us as their EMS provider upon completion of the qualification process on our production line, which was supported by our experienced technical team in EMS, including consumer appliances. In FYE 2019, we secured our first order for a pilot production run where we recorded revenue of approximately RM26,000 in FYE 2019. As for electronic cigarettes, we received purchase orders and recorded revenue of RM36.4 million in FYE 2020 from the commencement of EMS for electronic cigarettes. This was mainly derived from the value-added services for the initial development which included the customisation of automated production line to meet the customers' requirements. Please refer to Section 12.3.1(i)(c) of this Prospectus for further details on the revenue analysis. We delivered our first shipment for the vacuum cleaners and electronic cigarettes to the USA in 2019 and 2020 respectively. • As part of our EMS expansion plans, we expanded our production facilities between 2020 and 2021 as follows: <ul style="list-style-type: none"> - in FYE 2021, we invested RM12.5 million to extend an additional 74,329 sq ft of floor space at our Senai 227 Factory to cater for product expansion; - in FYE 2021, we acquired the Kempas 6 Factory with a total built-up area of 18,808 sq ft which will be used for the EMS of smart utility data collection equipment; - between FYE 2020 and FYE 2021, we have invested RM65.0 million for the purchase and installation of machinery and equipment as well as cleanroom facilities for the EMS of electronic cigarettes including 8 automated production lines for the refill pods with production capacity of approximately 40 million pieces per year, 2 lines for the device and 1 line for the disposable cigarette sticks; - between FYE 2020 and FYE 2021, we invested RM17.3 million for the purchase and installation of 2 surface mount technology (SMT) lines to expand our capabilities to manufacture electronic products. These SMT lines are mainly used for new product development in supporting our clients in their new product introduction process. We commenced trial run and pilot production in September 2021. • In January 2020, our Company acquired the entire equity interest of the following companies as part of our group reorganisation exercise: <ul style="list-style-type: none"> - Cape Manufacturing, which is principally involved in aluminium die cast manufacturing which operates in the Temenggong 22 Factory; and providing EMS for smart utility data collection equipment which operates in the Kempas 6 Factory; and

7. BUSINESS OVERVIEW (Cont'd)

Year	Key Events and Milestones
	<ul style="list-style-type: none"> - Cape Singapore, which is principally involved in supply of electronic products and related activities. For the Period Under Review and up to the LPD, (i) the electronic products supplied by Cape Singapore referred to smart utility data collection equipment of NextCentury and Next Meters (the revenue of which is recognised under the provision of EMS segment; where the product is manufactured by Cape Manufacturing); and (ii) related activities refer to testing services in Singapore (the revenue of which is recognised under the supporting services segment). There were no testing services carried out in Singapore during the Period Under Review. <p>The main rationale for the acquisitions is to complement our EMS business to provide supporting products and services to our customers.</p> <ul style="list-style-type: none"> • In March 2021, our Company entered into a sale and purchase agreement with an unrelated third party, Flextronics Shah Alam Sdn Bhd for the acquisition of 2 pieces of lands namely PLO 226B and PLO 227B for approximately RM15.7 million, which was completed in November 2021.
2022	<ul style="list-style-type: none"> • As part of our ongoing expansion plans, we completed the sale and purchase agreement for the acquisition of Tebrau 6 Factory in September 2022. Please refer to Section 7.22.1 of this Prospectus for further details on the new Tebrau 6 Factory. • Cape Manufacturing commenced the EMS of smart utility data collection equipment at Kempas 6 Factory on 22 September 2022.

7.1.2 Our business model

Our business model is as follows:



Notes:

- (1) Includes UK and Sweden.
- (2) Includes Singapore, Malaysia, Hong Kong, Japan, China, Taiwan and India.
- (3) Includes E&E, plastic injection moulding and metal stamping manufacturers who purchase aluminium die cast parts for their own use.

7. BUSINESS OVERVIEW (Cont'd)

- (4) The procurement companies and their end users are set out as follows:
- (i) SOQ, being the procurement company for a single brand of smart utility data collection equipment, namely the NextCentury brand. Since October 2021, there were no orders for the provision of EMS from SOQ due to the product end of life of NextCentury older models. The Group have been working directly with the brand owner, NextCentury from the USA since 2020 for the EMS of the new models of smart utility data collection equipment;
 - (ii) Tastar Electronics, being the procurement company for a single brand of POS terminal, namely the BBPOS brand; and
 - (iii) K & Q, being the procurement company for a single brand of vacuum cleaner, namely the Eureka brand.
- (5) Includes sales to EMS company as well as equipment manufacturer who purchase wireless modules from our Group for resale purposes.

7.1.3 Business activity and revenue streams

We are an EMS provider offering a range of contract manufacturing services for end-to-end manufacturing services which entail parts and components sourcing and procurement, production, assembly, testing, packaging up to direct shipment fulfilment. Our manufacturing contracts are typically turnkey contracts to provide complete box build products. The typical lead time from receipt of purchase order to completing the box build assembly process is 3 to 6 months.

We carry out EMS services for box build of industrial and consumer electronic products as follows:

	<p>Industrial Electronics</p> <ul style="list-style-type: none"> ✓ Wireless communication equipment ✓ Smart utility data collection equipment ✓ POS terminals ✓ Others ⁽¹⁾ 		<p>Consumer Electronics</p> <ul style="list-style-type: none"> ✓ Household appliances ✓ Electronic cigarettes
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Note:

- (1) Includes digital vending machines, portable printer power desks and LED lighting products.

Moving forward, we will continue to market our EMS focusing on 2 industry sectors namely industrial electronic products and consumer electronic products to expand and grow our business.

The manufacturing location for each category of EMS products manufactured by our Group are as follows:

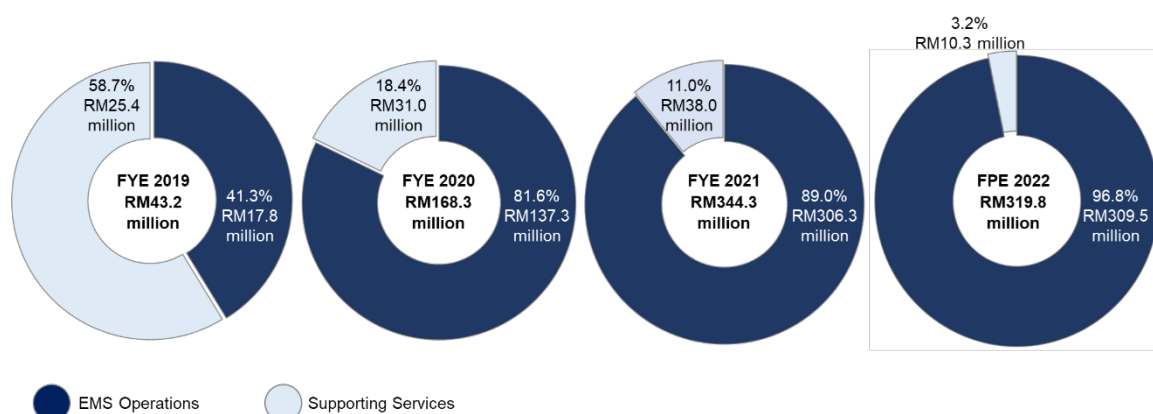
	Senai 227 Factory	Kempas 6 Factory
Industrial electronics		
• Wireless communication equipment	✓	
• Smart utility data collection equipment	✓	✓
• POS terminals	✓	
• LED lighting products	✓	
Consumer electronics		
• Household appliances	✓	
• Electronic cigarettes	✓	

7. BUSINESS OVERVIEW (Cont'd)

We carry out supporting services for our EMS operations where we have in-house aluminium die cast manufacturing, as well as sourcing and procurement of parts and components for our box build consumer and industrial electronic products. In this respect, the revenue of EMS operations of our box build products takes into account the aluminium die cast parts as well as parts and components for the abovementioned box build industrial and consumer electronic products. For the Period Under Review, the EMS of wireless communication equipment for our major customer, namely Airspan group of companies (including Mimosa Networks and Airspan Communications), requires aluminium die cast parts supplied by Cape Manufacturing.

In addition, we provide the said supporting services to customers who engage us only for the manufacturing of die cast parts and supply of parts and components. In this respect, the revenue derived from these said customers is categorised under the supporting services segment.

Our revenue contribution by business activities for the Period Under Review is set out below:



Our revenue contribution by business segments and by products for the Period Under Review is set out below:

	FYE 2019		FYE 2020		FYE 2021		FPE 2022	
	RM'000	(%)	RM'000	(%)	RM'000	(%)	RM'000	(%)
Provision of EMS								
• Industrial electronic products	17,801	41.2	83,641	49.7	214,658	62.3	187,874	58.8
- <i>Wireless communication equipment</i>	17,801	41.2	71,324	42.4	79,282	23.0	58,823	18.4
- <i>Smart utility data collection equipment</i>	-	-	10,609	6.3	⁽³⁾ 67,924	19.7	⁽³⁾ 52,069	16.3
- <i>POS terminals</i>	-	-	1,610	1.0	62,862	18.3	63,222	19.8
- <i>Others⁽¹⁾</i>	-	-	98	*	4,590	1.3	13,760	4.3
• Consumer electronic products	26	0.1	53,619	31.9	91,629	26.6	121,577	38.0
- <i>Household appliances</i>	26	0.1	17,213	10.2	49,350	14.3	34,983	10.9
- <i>Electronic cigarettes</i>	-	-	36,406	21.7	42,279	12.3	86,594	27.1
	17,827	41.3	137,260	81.6	306,287	⁽²⁾89.0	309,451	96.8
Supporting services								
• Die casting manufacturing [#]	-	-	11,403	6.8	24,143	7.0	8,163	2.5
• Supply of parts and components	25,330	58.7	19,598	11.6	13,904	4.0	2,136	0.7
	25,330	58.7	31,001	18.4	38,047	11.0	10,299	3.2
Total	43,157	100.0	168,261	100.0	344,334	100.0	319,750	100.0

7. BUSINESS OVERVIEW (Cont'd)**Notes:**

- * Less than 0.1%.
- # Cape Manufacturing was acquired by our Company in January 2020.
- (1) Includes digital vending machines, portable printer power desks and LED lighting products.
- (2) The percentage does not add up due to rounding issue.
- (3) Includes temperature monitoring device amounting to RM1.5 million and RM4.2 million for FYE 2021 and FPE 2022 respectively.

Please refer to **Section 12.3.1(i)** of this Prospectus for further information on the discussion on our revenue.

Our transition from supporting services to provision of EMS being the major revenue contributor was mainly due to higher growth from the provision of EMS. Between FYE 2019 and FYE 2021, the CAGR of the revenue for provision of EMS and supporting services were 314.5% and 22.6% respectively. The higher growth for the provision of EMS was mainly contributed by securing more purchase orders from existing customers, as well as securing new customers for both industrial and consumer electronics sectors.

7.1.4 Principal markets

Our head office is located in Johor, Malaysia and we principally operate in Malaysia to serve customers in Malaysia and foreign countries. Our operational facilities comprising 2 factories for our EMS operations (Senai 227 Factory and Kempas 6 Factory) in Johor, 1 factory mainly for die cast manufacturing (Temenggong 22 Factory) in Johor, and 1 testing facility⁽¹⁾ in Singapore.

Note:

- (1) The testing facility's purpose is to cater to requests by customers for testing to be carried out in Singapore, as and when required, as Singapore is the location specified by customers for our Group to carry out certain processes for example, radio frequency test, final functional test and/or final inspection on product packaging for wireless communication equipment. This testing facility will be made available at the potential request of existing customers as well as our new customers as and when required if Singapore is the location specified by our customers. We also provide similar testing as part of our EMS operations in Malaysia.

Our revenue contribution by geographical markets for the Period Under Review is as follows:

	FYE 2019		FYE 2020		FYE 2021		FPE 2022	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Asia Pacific	25,356	58.8	44,789	26.6	150,104	43.6	120,860	37.8
Singapore	26	0.1	18,823	11.2	112,212	32.6	98,205	30.7
Malaysia	25,330	58.7	22,720	13.5	27,005	7.8	9,871	3.1
Hong Kong	-	-	1,835	1.1	4,835	1.4	25	*
Japan	-	-	100	0.1	5,155	1.5	11,864	3.7
China	-	-	898	0.5	570	0.2	617	0.2
Taiwan	-	-	382	0.2	308	0.1	252	0.1
India	-	-	31	*	19	*	26	*
Americas	10,821	25.1	92,369	54.9	190,518	55.3	176,047	55.1
USA	10,821	25.1	92,369	54.9	190,518	55.3	176,047	55.1
Europe	6,980	16.1	31,103	18.5	3,712	1.1	22,843	7.1
UK	6,980	16.1	30,599	18.2	3,712	1.1	22,706	7.1
Sweden	-	-	504	0.3	-	-	137	*
Total revenue	43,157	100.0	168,261	100.0	344,334	100.0	319,750	100.0

7. BUSINESS OVERVIEW (Cont'd)

Note:

* Less than 0.1%.

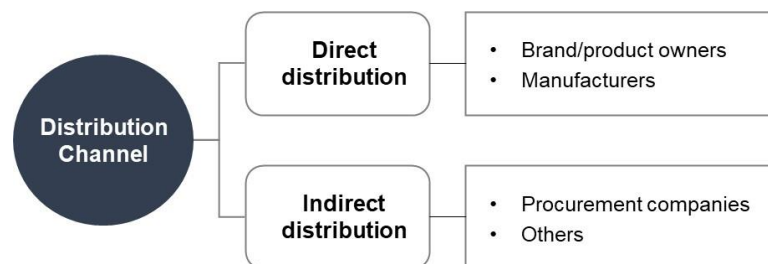
For the Period Under Review, the USA is one of our major revenue contributors which accounted for 25.1% (RM10.8 million), 54.9% (RM92.4 million), 55.3% (RM190.5 million) and 55.1% (RM176.0 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. The export sales to the USA were mainly derived from the provision of EMS for industrial electronic products comprising wireless communication equipment, smart utility data collection equipment and consumer electronic products namely electronic cigarettes.

This is followed by the increasing contribution from export sales to Singapore which accounted for 0.1% (less than RM0.1 million), 11.2% (RM18.8 million), 32.6% (RM112.2 million) and 30.7% (RM98.2 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. This was mainly contributed by our provision of EMS for POS terminals and household appliances to customers in Singapore, namely Tastar Electronics and K & Q on behalf of the brand owners from Hong Kong and China, namely BBPOS and Midea America Corp respectively.

Our domestic sales accounted for 58.7% (RM25.3 million), 13.5% (RM22.7 million), 7.8% (RM27.0 million) and 3.1% (RM9.9 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively and were mainly derived from the supply of our in-house manufactured aluminium die cast products as well as supply of externally sourced parts and components to local manufacturers. Our die cast manufacturing operation is undertaken by our subsidiary, Cape Manufacturing which was acquired by our Company in January 2020.

7.1.5 Distribution channels and customer base

We utilise both direct and indirect distribution channels for our sales and marketing activities as follows:



We mainly use a direct distribution channel where we market our services directly to 2 types of customers as follows:

- brand and/or product owners where we provide EMS for box build products for the brand and/or product owners; and
- manufacturers where we source and supply parts and components, as well as our in-house manufactured aluminium die cast parts for them to carry out further manufacturing process.

Our direct distribution channel represented 99.8%, 84.1%, 55.0% and 69.0% of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. Under the direct distribution channel, the focus of our sales and marketing activities is directly with decision-makers who are the brand and/or product owners. Our EMS operations involve parts, components and products that are technical in nature, requiring a certain level of precision tolerance and quality, and in some cases, customisation to meet customers' technical specifications and requirements. Thus, our ability to work directly with such customers that are involved in product design and specification or usage of parts and components will help us attain a better understanding of their requirements to meet their technical needs. Additionally, by dealing directly with these customers, we also develop rapport to facilitate business continuity as well as to secure new businesses. Having had track record and experience with us, the decision makers are in a position to also consider us to provide EMS for new models or products.

7. BUSINESS OVERVIEW (Cont'd)

We also utilise indirect distribution channels where our customers are mainly procurement companies who are intermediaries that purchase our services on behalf of brand/product owners. For our indirect distribution channel, we provide EMS for box build products. Our indirect distribution channel contributed 0.2%, 15.9%, 45.0% and 31.0% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

The revenue contribution by distribution channels and customer types for the Period Under Review is as follows:

	FYE 2019		FYE 2020		FYE 2021		FPE 2022	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Direct distribution	43,089	99.8	141,492	84.1	189,286	55.0	220,656	69.0
Brand/product owners	17,801	41.2	116,720	69.4	160,311	46.6	213,179	66.7
Manufacturers ⁽¹⁾	25,288	58.6	24,772	14.7	28,975	8.4	7,477	2.3
Indirect distribution	68	0.2	26,769	15.9	155,048	45.0	99,094	31.0
Procurement companies ⁽²⁾	68	0.2	26,459	15.7	150,209	43.6	246	0.1
Others ⁽³⁾	-	-	310	0.2	4,839	1.4	98,848	30.9
Total revenue	43,157	100.0	168,261	100.0	344,334	100.0	319,750	100.0

Notes:

- (1) Includes E&E, plastic injection moulding and metal stamping manufacturers who purchase aluminium die cast parts for their own use.
- (2) The procurement companies and their end users are (i) SOQ Sourcing LLC ("**SOQ**"), being the procurement company for a single brand of smart utility data collection equipment, namely the NextCentury brand. Since October 2021, there were no orders for the provision of EMS from SOQ due to the product end of life of NextCentury older models. The Group have been working directly with the brand owner, NextCentury from the USA since 2020 for the EMS of the new models of smart utility data collection equipment, (ii) Tastar Electronics, being the procurement company for a single brand of POS terminal, namely the BBPOS brand and (iii) K & Q, being the procurement company for a single brand of vacuum cleaner, namely the Eureka brand.
- (3) Includes sales to EMS company as well as equipment manufacturer who purchase wireless modules from our Group for resale purposes.

7.2 MODE OF OPERATION

7.2.1 Agreements with customers

For our EMS business segment, we mainly enter into agreements with our major customers. In August 2022, the Company has entered into a new agreement with a new EMS customer for the EMS of box build LED lighting products. As at the LPD, we have 9 subsisting agreements with our EMS customers. All 9 agreements with our EMS customers set out the general terms and conditions of our scope of services with validity periods, and the agreements do not oblige the customers to place orders. Accordingly, our Group's business and profitability is not dependent on these agreements but on the purchase orders placed by our customers. Our customers will place purchase orders periodically which serve as the agreements for the purchase of products and services. Typically, we do not collect deposit upon confirmation of purchase orders. Our pricing policy is based on cost plus mark-up and subject to negotiation and agreement with customers.

Generally, our prices are fixed based on the acceptance of our quotation. Once our quotation is accepted by our customers, our customers will issue purchase orders. In the event of unforeseen increases in costs of input materials and/or labour, we will negotiate to pass on such cost increases to our customers for their next purchase order. However, there is no assurance that our customers will agree to the cost increase. For Customer A which we provide EMS for electronic cigarettes, our pricing is reviewed every 6 months.

7. BUSINESS OVERVIEW (Cont'd)

Some of our major customers including Mimosa Networks, Tastar Electronics, K & Q, Customer A and SOQ commonly provide us with 6 to 12 months rolling forecasts and purchase orders are mainly issued on a weekly or quarterly basis. Our customers' purchase orders typically include input materials where we are responsible for the sourcing and procurement of input materials. Some of the input materials are required to be procured from our customers' approved suppliers.

As for our supporting services segment, we primarily generate sales based on confirmed purchase orders for aluminium die cast parts and supply of other parts and components. In relation to the manufacturing of aluminium die cast parts, in the event of unforeseen increases in aluminium prices, we will negotiate to pass on such cost increases to our customers for their next purchase order. In ensuring the timely passing of such costs to our customers, we review the aluminium prices on a quarterly basis with our customers to address any material fluctuations in aluminium prices.

7.2.2 Warranty

For our EMS of box build products, we provide 12 to 24 months warranty against manufacturing defects based on a one-to-one replacement of defective products. In the event of any manufacturing defects, we will arrange for the defective items to be sent back to us. Upon reaching our premises, we will perform, where relevant, various checks on functionality, verifications against specifications and debugging of software to identify and verify the defects or problems.

All costs associated with the collection and replacement of defective items will be fully borne by us. In the event that the defects were not attributed to our manufacturing process, we will charge our customers for the number of items that we have sent as replacements including costs of delivery.

In addition, we also outsourced the assembly of the digital vending machines and portable power desks to Changhvat Plastic, which is under our supervision and control. In this respect, we provide a similar 12- to 24-month warranty mentioned above and there is no back-to-back arrangement with Changhvat Plastic, as the whole assembly process is carried out under the supervision and control of our technical personnel who are stationed at Changhvat Plastic's factory on a rotating basis. Our technical personnel monitor the assembly process as well as ensure the functionality of the finished products.

Our Group provides warranty for digital vending machines and portable power desks assembled by Changhvat Plastic as our Group is the EMS provider that secured the purchase order directly from the customers who are the brand owners of the said products. In this respect, as an EMS provider, we are responsible to ensure the final product is able to meet our customers' specifications. For the Period Under Review, the revenue contribution of the said products was relatively small which collectively accounted for 0.1% (RM0.1 million), 1.3% (RM4.5 million) and 2.7% (RM8.6 million) of our total revenue for the FYE 2020, FYE 2021 and FPE 2022 respectively.

Save as disclosed above, there are no other processes or products of our EMS operations that we outsourced for the Period Under Review and up to the LPD. For the avoidance of doubt, as at the LPD, under our manufacturing of aluminium die cast parts, we do outsource precision finishing process. Please refer to Note (5) in **Section 7.21.1** of the Prospectus.

For our aluminium die cast manufacturing operation, there is no product warranty given for the die cast parts as we will carry out mass production upon confirmation and approval from customer on the first sample products supplied to customer. Generally, product warranty is given to complete box build product. As such, product warranty is not applicable for the supply of parts and components. However, our Group practices one-for-one exchange policy in the event of any defects. The one-for-one exchange policy is practiced by our Group as a gesture of goodwill towards our customers and is not stipulated in our invoices to our customers. As the exchange policy is a voluntary practice, we are not bound by such policy, which differs from a product warranty. For the Period Under Review and up to the LPD, our Group has not encountered any such requests for product exchanges for supply of parts and components.