

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MEGA FORTRIS BERHAD (“MEGA FORTRIS” OR THE “COMPANY”) DATED 21 OCTOBER 2024 (“ELECTRONIC PROSPECTUS”)

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Securities’ website at www.bursamalaysia.com (“**Website**”).

Availability and Location of 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, RHB Investment Bank, or the Issuing House. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association. Prospective applicants should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

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

Close of Application

Applications for the IPO Shares offered under the Retail Offering will open at 10.00 a.m. on 21 October 2024 and will close at 5.00 p.m. on 28 October 2024. Any change to the timetable will be advertised by Mega Fortris in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and will be announced on the Website.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained on 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



MEGA FORTRIS
G R O U P

MEGA FORTRIS BERHAD

(Registration No. 199801004408 (460535-H))
(Incorporated in Malaysia under the Companies Act, 1965 and
deemed registered under the Companies Act, 2016)

T: +603-5122 6118 F: +603-5121 7118 E: inquiry@megafortris.com

www.megafortris.com

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(Registration No. 199801004408 (460535-H))

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 295,744,000 ORDINARY SHARES IN MEGA FORTRIS BERHAD ("MEGA FORTRIS" OR "COMPANY") ("SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARES OF MEGA FORTRIS ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) PUBLIC ISSUE OF 147,873,000 NEW SHARES ("ISSUE SHARES") IN THE FOLLOWING MANNER:
- (A) 42,250,000 ISSUE SHARES TO THE MALAYSIAN PUBLIC;
 - (B) 25,350,000 ISSUE SHARES TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF MEGA FORTRIS AND ITS SUBSIDIARIES ("MEGA FORTRIS GROUP"), AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE MEGA FORTRIS GROUP;
 - (C) 38,024,000 ISSUE SHARES TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY BY WAY OF PRIVATE PLACEMENT; AND
 - (D) 42,249,000 ISSUE SHARES TO INSTITUTIONAL AND SELECTED INVESTORS BY WAY OF PRIVATE PLACEMENT; AND
- (II) OFFER FOR SALE OF UP TO 147,871,000 EXISTING SHARES ("OFFER SHARES") IN THE FOLLOWING MANNER:
- (A) UP TO 80,273,000 OFFER SHARES TO INSTITUTIONAL AND SELECTED INVESTORS BY WAY OF PRIVATE PLACEMENT; AND
 - (B) UP TO 67,598,000 OFFER SHARES TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY BY WAY OF PRIVATE PLACEMENT,

AT AN IPO PRICE OF RM0.67 PER SHARE, PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AS SET OUT IN THIS PROSPECTUS

Sole Principal Adviser, Joint Underwriter and
Joint Placement Agent

RHB Investment

RHB INVESTMENT BANK BERHAD
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter and
Joint Placement Agent



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 SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION OF OUR IPO AND THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE SAID APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO 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 OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

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 270.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED 21 OCTOBER 2024.

All defined terms used in this Prospectus are defined under “Definitions” commencing on page xii and “Glossary of Technical Terms” commencing on page xxiii.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholder 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.

RHB Investment Bank, being our Sole Principal Adviser acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for the listing of and quotation for our Shares. Our 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 Forms, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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 this Prospectus or the conduct of any other person in relation to our Company.

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

This Prospectus is prepared and published solely for our IPO. Our Shares are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Selling Shareholder, Sole Principal Adviser, Joint Underwriters and Joint Placement Agents have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Selling Shareholder, Principal Adviser, Joint Underwriters and Joint Placement Agents, or any of their respective directors or any other persons involved in our IPO.

This Prospectus has been prepared and published in the context of an IPO under the laws of Malaysia. It does not and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

Accordingly, this Prospectus may not be used for the purpose of, and does not constitute an offer for, subscription or purchase or invitation to subscribe for or purchase, any of our Shares being offered in our IPO in any jurisdiction or in any circumstances in which such an offer is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

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 with it.

It is your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in this Prospectus and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection with it. However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subjected. We, our Sole Principal Adviser, Joint Underwriters and Joint Placement Agents any other advisers in relation to our IPO shall not accept any responsibility or liability if any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

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

If you are in doubt about the validity or integrity of the Electronic Prospectus, you should immediately request from us or our Issuing House a paper / printed copy of this Prospectus. If there is any discrepancy 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 are identical to the copy of the Prospectus registered with 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 Sole Principal Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites. Accordingly, we and our Sole Principal Adviser are not responsible for the availability of, or the contents or any data, file, information or other materials 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 Sole Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Sole Principal Adviser are also not responsible for any loss or 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, files, information or other materials provided by such parties; and
- (iii) any data, file, information or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Sole 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, file, information or other material.

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

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

INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Event	Dates
Opening date of our IPO	10.00 a.m., 21 October 2024
Closing date of our IPO	5.00 p.m., 28 October 2024
Balloting of Applications	30 October 2024
Allotment / transfer of our IPO Shares to successful applicants	7 November 2024
Listing	11 November 2024

If there are any changes to this timetable, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

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PRESENTATION OF INFORMATION AND OTHER INFORMATION

All references to “our Company” or “Mega Fortris” in this Prospectus are to Mega Fortris Berhad. All references to “Mega Fortris Group” or “our Group” in this Prospectus are to our Company and our subsidiaries, taken as a whole. All references to “we”, “us”, “our” or “ourselves” are to our Company, and where the context otherwise requires, our Group.

All references to “you” are to our prospective investors.

Unless the context otherwise requires, references to “management” in this Prospectus are to our Directors and Key Senior Management as at the date of this Prospectus. Statements as to our beliefs, expectations, estimates and opinions are those of our management.

In this Prospectus, all references to the “Government” are to the Government of Malaysia. All references to the “Selling Shareholder” in this Prospectus is to Mega Fortris Global.

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 thousands or two decimal places. Any discrepancies in the tables between amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include natural persons, firms, companies, bodies corporate and corporations.

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

Any reference to a date and time in this Prospectus shall be a reference to Malaysian time, unless otherwise stated. Any reference to the “LPD” in this Prospectus is to 22 September 2024, being the latest practicable date before the registration of this Prospectus with the SC. In respect of references to exchange rate as at LPD, the date refers to 23 September 2024.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originated from us or is extracted from the IMR Report provided in Section 8 of this Prospectus. We have appointed Vital Factor Consulting Sdn Bhd to provide an independent assessment of the security seal industry. In compiling its data for the review, Vital Factor Consulting Sdn Bhd relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

We believe that the information on the industry as contained in this Prospectus and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the market and industry in which we operate. Third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

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

PRESENTATION OF INFORMATION AND OTHER INFORMATION

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS and MFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS and MFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and prospects, and objectives of our Group for future operations, are forward-looking statements.

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

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products and services, and general industry environment;
- (ii) our business strategies, trends and competitive position;
- (iii) our plans and objectives for future operations;
- (iv) our financial performance and financing plan including earnings, cash flows and liquidity;
- (v) potential growth opportunities;
- (vi) our ability to pay dividends; and
- (vii) the regulatory environment and the effects of future regulation.

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

- (i) general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) future regulatory or government policy changes affecting us or the markets in which we operate or may operate;
- (iii) activities and financial health of our customers, suppliers, other business partners and distributors;
- (iv) finance cost, interest rates, tax rates and foreign exchange rates;
- (v) delays, cost overruns, shortages in labour and other changes that impact the execution of our expansion plans;
- (vi) competitive environment in the industry in which we operate;
- (vii) reliance on approvals, certificate licenses and permits;
- (viii) continued availability of capital and financing;
- (ix) significant capital expenditure requirements;
- (x) the cost and availability of adequate insurance coverage;

FORWARD-LOOKING STATEMENTS

- (xi) availability and fluctuations in prices of raw materials;
- (xii) fixed and contingent obligations and commitments;
- (xiii) changes in accounting standards and policies; and
- (xiv) any other factors beyond our control which include terrorist acts, pandemics, epidemics or natural disasters.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 of this Prospectus on “Risk Factors” and Section 12.3 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD based on information available to us as at the LPD.

Should we become aware of any subsequent significant change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment / transfer of our IPO Shares, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP

Mega Fortris or Company	:	Mega Fortris Berhad (Registration No. 199801004408 (460535-H))
Mega Fortris Americas	:	Mega Fortris Americas, Inc (Registration No. 0100906973)
Mega Fortris AUS	:	Mega Fortris (Australia) Pty Ltd (Registration No. 118019837)
Mega Fortris BNL	:	Mega Fortris BNL B.V. (Registration No. 74045164)
Mega Fortris Europe	:	Mega Fortris (Europe) ApS Ltd (Registration No. 26574315)
Mega Fortris France	:	Mega Fortris France SAS (Registration No. 488301193)
Mega Fortris Group or Group	:	Mega Fortris and the Subsidiaries, collectively
Mega Fortris HK	:	Mega Fortris (HK) Limited (Registration No. 735439)
Mega Fortris HU	:	Mega Fortris HU Kft (Registration No. 01-09-735171)
Mega Fortris LSN	:	Mega Fortris Load Secure Nordic ApS (Registration No. 36687215)
Mega Fortris ME	:	Mega Fortris ME FZCO (Registration No. DSO-FZCO-CF-200)
Mega Fortris Mzansi	:	Mega Fortris Mzansi (Pty) Ltd (Registration No. 2016/110814/07)
Mega Fortris NZ	:	Mega Fortris New Zealand Limited (Registration No. 274140)
Mega Fortris Security Bags	:	Mega Fortris Security Bags (Malaysia) Sdn Bhd (Registration No. 200201003636 (571299-U))
Mega Fortris SG	:	Mega Fortris (Singapore) Pte Ltd (Registration No. 200103655R)
Mega Fortris South Africa	:	Mega Fortris South Africa (Pty) Ltd (Registration No. 2013/223973/07)
Mega Fortris UK	:	Mega Fortris (UK) Limited (Registration No. 03303919)
Mega Pandai	:	Mega Pandai Global Sdn Bhd (Registration No. 201901033203 (1342533-W))
Fortrich Manufacturing	:	Fortrich Manufacturing (M) Sdn Bhd (Registration No. 200101022456 (558214-U))
Subsidiaries	:	Collectively, Mega Fortris Americas, Mega Fortris AUS, Mega Fortris BNL, Mega Fortris Europe, Mega Fortris France, Mega Fortris HK, Mega Fortris HU, Mega Fortris LSN, Mega Fortris ME, Mega Fortris Mzansi, Mega Fortris NZ, Mega Fortris Security Bags, Mega Fortris SG, Mega Fortris South Africa, Mega Fortris UK, Mega Pandai, and Fortrich Manufacturing

DEFINITIONS

GENERAL

Acquisitions	:	Acquisitions by our Company of the following: <ul style="list-style-type: none"> (i) the entire issued share capital of Mega Fortris Europe from Mega Fortris Global for a purchase consideration of RM14,536,221.00; (ii) the entire issued share capital of Mega Fortris Americas from Mega Fortris Global for a purchase consideration of USD3,421,444.00 (equivalent to RM15,762,593.00), (iii) 75.00% of the issued share capital of Mega Fortris AUS from Mega Fortris Global for a purchase consideration of AUD681,429.00 (equivalent to RM2,045,445.00); and (iv) 75.00% of the issued share capital of Mega Fortris NZ from Mega Fortris Global for a purchase consideration of NZD491,224.00 (equivalent to RM1,367,715.00), <p>that have been fully satisfied via the issuance of 33,711,974 new Shares at RM1.00 per Share, which were completed on 30 June 2023.</p>
Acquisitions of Mega Fortris Security Bags' Minority Interests	:	Acquisition by the Company of the following: <ul style="list-style-type: none"> (i) 33.71% of the issued share capital of Mega Fortris Security Bags from Dato' Nick Ng for a purchase consideration of RM1,021,648.99; and (ii) 3.43% of the issued share capital of Mega Fortris Security Bags from Datuk Adrian Ng for a purchase consideration of RM103,953.01, <p>that have been fully settled via cash, which were completed on 11 October 2023.</p>
Act	:	Companies Act 2016
ADA	:	Authorised depository agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
AmBank	:	AmBank (M) Berhad (Registration No. 19690100166 (8515-D))
AmInvestment Bank	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
Application	:	Application for our IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	:	Collectively, White Application Form and Pink Application Form

DEFINITIONS

Asset Transfer	:	Our acquisition of the following from Fortris Malaysia's: <ul style="list-style-type: none"> (i) security seal manufacturing facilities which include machineries, and tools and equipment for the manufacturing of security seals; and (ii) business operations which include assignment and transfer of contracts with its customers and suppliers to us, <p>pursuant to a joint venture arrangement</p>
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares
BDO or Auditors or Reporting Accountants	:	BDO PLT (Registration No. 201906000013 (LLP0018825-LCA) & (AF 0206))
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 - companies which fulfil, among others, the following criteria or such other criteria as may be imposed by MITI: <ul style="list-style-type: none"> (a) registered under the Act as a private company; (b) its shareholders are 100.00% Bumiputera; and (c) its board of directors (including its staff) are at least 51.00% Bumiputera (iii) cooperatives - cooperatives whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CAD	:	Computer-aided-design

DEFINITIONS

CCC or CF	:	Certificate of completion and compliance or certificate of fitness for occupation or occupation permit or such certificate by 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 established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CMSA	:	Capital Markets and Services Act 2007
CNC	:	Computer numerically controlled
Constitution	:	Constitution of our Company
COVID-19	:	Coronavirus disease (COVID-19), an infectious respiratory disease which first broke out in 2019 and has been declared as pandemic by the World Health Organisation in 2020, affecting many countries globally
Dato' Nick Ng	:	Dato' Ng Meng Kee
Datuk Adrian Ng	:	Datuk Ng Meng Poh
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EDBI	:	EDB Investments Pte Ltd (Registration No. 1991T02957K)
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 compact disc read-only memory (CD-ROMs)
Electronic Share Application	:	An application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors and employees of our Group, and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
Equity Guidelines	:	Equity Guidelines issued by the SC
ESG	:	Environmental, Social and Governance

DEFINITIONS

Executive Directors	:	Executive Directors of our Group, namely Datuk Adrian Ng and Ng Weng Choi
F & B	:	Food and beverage
FMA 1967	:	Factories and Machinery Act 1967
Fortris Malaysia	:	Fortris (Malaysia) Sdn Bhd (Registration No. 199501043146 (344606-M))
FYE	:	Financial year ended / ending 30 June, as the case may be
FYE Under Review	:	Collectively, FYE 2021, FYE 2022, FYE 2023 and FYE 2024
GE	:	Great Eastern Holdings Ltd (Registration No. 199903008M)
Government	:	Government of Malaysia
GP	:	Gross profit
HQ	:	Headquarter of Mega Fortris Berhad situated at No. 29, Jalan Anggerik Mokara 31/47, Seksyen 31, 40460 Shah Alam, Selangor
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report dated 2 October 2024 prepared by Vital Factor, as set out in Section 8 of this Prospectus
Institutional Offering	:	Offering of up to 228,144,000 IPO Shares at our IPO Price comprising: <ul style="list-style-type: none"> (i) the Public Issue of 38,024,000 Issue Shares to identified Bumiputera investors approved by the MITI; (ii) the Public Issue of 42,249,000 Issue Shares to institutional and selected investors; (iii) the Offer for Sale of up to 80,273,000 Offer Shares to institutional and selected investors; and (iv) the Offer for Sale of up to 67,598,000 Offer Shares to identified Bumiputera investors approved by the MITI, subject to the clawback and reallocation provisions as set out in this Prospectus
Internet Participating Financial Institution	:	Participating financial institution in the Internet Share Application
Internet Share Application	:	Application for our IPO Shares under the Retail Offering through an Internet Participating Financial Institution or Participating Securities Firm
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively

DEFINITIONS

IPO Price	:	IPO price of RM0.67 per IPO Share
IPO Shares	:	Collectively, Issue Shares and Offer Shares
Issue Shares	:	147,873,000 new Shares to be issued by our Company pursuant to the Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Joint Placement Agents	:	Collectively, RHB Investment Bank and AmInvestment Bank
Joint Underwriters	:	Collectively, RHB Investment Bank and AmInvestment Bank
Key Senior Management	:	Our key senior management personnel, namely Datuk Adrian Ng, Ng Weng Choi, Sim Li Huang, Jason Francis White and Ng Foong Yuon
kg	:	Kilograms
kN	:	Kilonewton
LGCP	:	LionGlobal Capital Partners Pte Ltd (Registration No. 201431563K)
LGIL	:	Lion Global Investors Limited (Registration No. 198601745D)
Listing	:	Admission of Mega Fortris to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LOCAF1	:	Lion-OCBC Capital Asia Fund I, LP (Registration No. T14LP0077A)
LOCAH	:	Lion-OCBC Capital Asia I Holding Pte Ltd (Registration No. 201431613C)
LPD	:	22 September 2024, being the latest practicable date before the registration of this Prospectus with the SC. In respect of references to exchange rate as at LPD, the date refers to 23 September 2024.
MAICSA	:	Malaysian Institute of Chartered Secretaries and Administrators
Main Market	:	Main Market of Bursa Securities
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 Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
MCCG	:	Malaysian Code on Corporate Governance

DEFINITIONS

MCO	:	Movement control order implemented under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a preventive measure to curb the spread of COVID-19 in Malaysia
Mega Fortris Capital	:	Mega Fortris Capital Ltd (Registration No. 1972543)
Mega Fortris Global	:	Mega Fortris Global Pte Ltd (Registration No. 201832490M)
MFIB	:	Mega Fortris Iberica S.L. (Registration No. B42930610)
MFRS	:	Malaysian Financial Reporting Standards
MFSS	:	MFSS Sdn Bhd (Registration No. 199901006834 (481734-V))
MIDA	:	Malaysian Investment Development Authority
MIOT	:	MIOT Sdn Bhd (Registration No. 201501016017 (1141350-V))
MITI	:	Ministry of Investment, Trade and Industry
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
New UK Factory	:	Production facilities including automated production lines for security seals (including centralised warehouse) to be set up in UK
Ng Brothers Estate	:	Ng Brothers Estate Sdn Bhd (Registration No. 202301033651 (1527574-D))
NLC	:	National Land Code 1965
NRIC	:	Malaysian National Registration Identity Card
OCBC	:	Oversea-Chinese Banking Corporation Ltd (Registration No. 193200032W)
OCBC Entities	:	Collectively, OCBC, Orient, GE, LGIL, LGCP, LOCAF1 and LOCAH

DEFINITIONS

Offer for Sale	:	Offer for sale by the Selling Shareholder of up to 147,871,000 Offer Shares at our IPO Price, representing 17.50% of our enlarged total number of 844,972,480 Shares comprising the following: <ul style="list-style-type: none"> (i) Offer for sale of up to 80,273,000 Offer Shares to institutional and selected investors by way of private placement; and (ii) Offer for sale of up to 67,598,000 Offer Shares to identified Bumiputera investors approved by the MITI by way of private placement, <p style="margin-left: 40px;">subject to our Issue Shares being fully taken up first</p>
Offer Shares	:	Up to 147,871,100 existing Shares to be offered by the Selling Shareholder pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
Orient		Orient Holdings Pte Ltd (Registration No. 1997200277N)
Participating Institution	Financial	: Participating financial institution for the Electronic Share Application
Participating Firms	Securities	: Participating securities firm for the Internet Share Application
PAT	:	Profit after tax
PBT	:	Profit before tax
Pink Form Application	:	Application form for the application of our Issue Shares allocated for the Eligible Persons as set out in Section 4.1.1(ii) of this Prospectus
Pink Form Allocation	:	25,350,000 Issue Shares under the Retail Offering which have been reserved and set aside for subscription by the Eligible Persons
Playing Card Manufacturing Line	:	Specialised machinery and equipment comprising integrated and automated printing, cutting, laminating, inspection, collating and packaging machinery and equipment
PPE	:	Property, plant and equipment
Pre-IPO Reorganisation	:	Restructuring exercise involving the Acquisitions, Acquisitions of Mega Fortris Security Bags' Minority Interests, Share Split and Share Consolidation
Promoter(s)	:	Collectively, Dato' Nick Ng, Datuk Adrian Ng, Mega Fortris Global, Mega Fortris Capital and Ng Brothers Estate
Prospectus	:	This prospectus dated 21 October 2024 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC

DEFINITIONS

Public Issue	:	The public issue of 147,873,000 Issue Shares at our IPO Price, representing 17.50% of our enlarged total number of 844,972,480 Shares comprising the following: (i) the Retail Offering of 67,600,000 Issue Shares; and (ii) the Institutional Offering of 80,273,000 Issue Shares, subject to clawback and reallocation provisions as set out in this Prospectus
QESH	:	Quality, environment, safety and health
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Retail Offering	:	Offering of 67,600,000 Issue Shares to the Malaysian Public at our IPO Price comprising: (i) 42,250,000 Issue Shares to the Malaysian Public, of which at least 50.00% shall be set aside for Bumiputera investors, including individuals, companies, societies, co-operatives and/or institutions; and (ii) 25,350,000 Issue Shares to the Eligible Persons
RHB Bank	:	RHB Bank Berhad (Registration No. 196501000373 (6171-M))
RHB Investment Bank or Sole Principal Adviser	:	RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P))
ROC	:	Registrar of Companies
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Selling Shareholder	:	Mega Fortris Global
SGX	:	Singapore Exchange Securities Trading Limited
Shaoxing Mega Fortris	:	Shaoxing Mega Fortris Seals Co Ltd (Registration No. 913306217284716062)
Shares	:	Ordinary shares in our Company
Shaoxing Shuanglu	:	Shaoxing Shuanglu Imp. & Exp. Co. Ltd (Registration No. 91330621MA29BFWX3Y)
Shaoxing Zhenfeng	:	Shaoxing Zhenfeng Imp. & Exp. Co Ltd (Registration No. 91330602MA2JUAD607)
Share Consolidation	:	The consolidation of three existing Shares into two new Shares which was completed on 26 January 2024
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))

DEFINITIONS

Share Split	:	The subdivision of one existing Share into 30 new Shares which was completed on 13 October 2023
Shares or Mega Fortris Shares	:	Ordinary shares in our Company
SICDA	:	Securities Industry (Central Depositories) Act 1991
SIRIM QAS	:	SIRIM QAS International Sdn Bhd
SOCISO	:	Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
sq ft	:	Square feet
sq m	:	Square metres
UAE	:	United Arab Emirates
UK or United Kingdom	:	United Kingdom of Great Britain and Northern Ireland
USA	:	United States of America
Underwriting Agreement	:	Underwriting agreement dated 7 October 2024 entered into between our Company and our Joint Underwriters for the underwriting of 67,600,000 Issue Shares under the Retail Offering
UV	:	Ultraviolet
Vital Factor or Independent Business and Market Research Consultants or IMR	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T))
White Application Form	:	Application form for the application of our Issue Shares allocated to the Malaysian Public as set out in Section 4.1.1(i) of this Prospectus
3D	:	3-dimensional

DEFINITIONS

EXISTING OPERATIONAL FACILITIES WITHIN OUR GROUP

- No. 25 and No. 27 Property** : One detached single storey warehouse annexed with a double-storey office building, one unit of security guard house and one unit of garbage disposal and pump owned by Mega Fortris bearing postal address of No. 25 and No. 27, Jalan Anggerik Mokara 31/47, Seksyen 31, 40460 Shah Alam, Selangor
- No. 29 Property** : One detached single-storey factory and 2-storey office building owned by Mega Fortris bearing postal address of No. 29, Jalan Anggerik Mokara 31/47, Seksyen 31, 40460 Shah Alam, Selangor
- No. 56 Property** : One detached single storey factory and 3-storey office building owned by Mega Fortris bearing postal address of No. 56, Jalan Anggerik Mokara 31/47, Seksyen 31, 40460 Shah Alam, Selangor

CURRENCY AND UNIT

- AED** : Arab Emirates Dirham
- AUD** : Australian Dollar
- DKK** : Danish Krone
- EUR** : Euro
- GBP** : British Pound Sterling
- HKD** : Hong Kong Dollar
- HUF** : Hungarian Forint
- NZD** : New Zealand Dollar
- RM and sen** : Ringgit Malaysia and sen
- SGD** : Singapore Dollar
- USD** : United States Dollar
- ZAR** : South African Rand
- %** : Per centum

GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus shall have the same meaning as set out below unless the technical term is defined otherwise or the context requires otherwise.

A3	:	A rectangular size with dimensions of 297 mm and 420 mm
A4	:	A rectangular size with dimensions of 210 mm and 297 mm
A5	:	A rectangular size with dimensions of 148 mm and 210 mm
Acetal	:	It is a high performance thermoplastic with good mechanical properties including high stiffness, low friction, and resistance to wear and chemical corrosion.
Additives	:	In the context of this Prospectus, it refers to substances that can be used to alter the properties of plastics to achieve specific performance characteristics and properties.
Alternation	:	An act to change or vary a substance.
Barrel	:	In the context of this Prospectus, it refers to a cylinder-shaped component of a security seal that is integrated with a locking mechanism where a correspondent bolt is used to fasten into the barrel to provide a secure closure.
Cable seals	:	Cable seals are security seals which comprise galvanised steel wire to provide tamper-evident features and comprise various designs to provide indicative, security and high-security levels.
Container seals	:	Container seals are security seals made of plastic and metallic materials. They are designed for heavy-duty applications with tamper-evident features and have a high-security level.
Die	:	In the context of this Prospectus, it refers to a tool which comprises two complementary halves. One half is the die that provides a protruding solid-shaped object that when pressed against the complementary half (referred to as the mould) that has a corresponding shaped cavity to accommodate the die, will leave the desired shaped cavity for the plastic part. Molten plastic is then injected into the mould-die set to fill the shaped cavity. When the two halves are separated and the molten plastic solidifies, it will result in the desired shaped plastic part.
Dunnage bags	:	It refers to inflatable bags that are commonly used in shipping containers or trailers to fill empty spaces to prevent or minimise movements within the container or trailer. A dunnage bag is used to place between cargo items to prevent movements and also provide cushioning.
Flexural strength	:	It refers to a measurement to assess the ability of the security seal to withstand bending and deformation without breaking.
Identifiers	:	This refers to unique makings, codes, numbers or logos that are used to differentiate individual seals from one another or provide some form of identity to the seals.

GLOSSARY OF TECHNICAL TERMS

- Injection moulding : It refers to a manufacturing process where the plastic resin mixture is melted into molten form and injected into a mould-die set to create plastic parts with the desired shape.
- Laser marking : It refers to the process of engraving such as a specific pattern or identifier onto the surface of the security seal using a laser.
- Lashing system : A cargo securing method that uses various materials and components to secure and stabilise cargo on various types of transportation vessel such as ships, planes, trucks and railway cars.
- Load securement products : This refers to products that are used to safely secure cargo and loads during transportation to prevent shifting and damage to the cargo and/or vessel
- Locking length : In the context of this Prospectus, it refers to the measurement which indicates the extent to which the seal can be tightened around the goods or container.
- Locking mechanism : This refers to the design used in the security seal to provide a secured closure.
- Masterbatch : It refers to a compounded form of pre-mixed pigments used to obtain the desired colour or related colour properties such as brightness and intensity for colour, as well as some other additives such as calcium carbonate to be used as fillers and/or for the provision of white colour and brightness intensity.
- Mega Casino Management System : It refers to a security box tracking software system which enables casino operators to track and monitor the movement, status and historical information of the security boxes throughout the supply chain. This includes tracking the movement of the playing cards in the security boxes which are kept in the warehouse of the playing cards till their destruction. The tracking and monitoring of the security boxes can be carried out by scanning the unique barcode marked on the security seals.
- Mould : In the context of this Prospectus, it refers to a tool which comprises two complementary halves. One half is the die that provides a protruding solid-shaped object that when pressed against the complementary half (referred to as the mould) that has a corresponding shaped cavity to accommodate the die, will leave the desired shaped cavity for the plastic part. Molten plastic is then injected into the mould-die set to fill the shaped cavity. When the two halves are separated and the molten plastic solidifies, it will result in the desired shaped plastic part.
- The term mould is sometimes taken to refer to the mould-die set.
- Mould tooling : This refers to the fabrication of moulds.
- Plastic seals : Plastic seals are security seals mainly made of plastic materials.

GLOSSARY OF TECHNICAL TERMS

Playing card	: They are typically thin rectangular pieces of specially prepared card stock, heavy paper, thin cardboard, cotton-paper blend, plastic-coated paper or thin plastic with numbers and symbols printed on them. They are used for various games for entertainment or gambling purposes.
	In the context of this Prospectus, the playing cards are made of high-quality paper. The playing cards come in a set of 52 unique cards per deck divided into four suits (clubs, diamonds, hearts and spades) with 13 cards per suit (numbered cards from two to 10, and an ace, jack, queen, and king). Playing cards are used in gaming industries including casinos.
Pigments	: A substance that has the ability to impart colour to other materials.
Quick Response (QR) code	: This refers to a scannable standardised format code which comprises encoded information.
Seal	: In the context of this Prospectus, it refers to security seal.
Security bag	: It refers to flexible plastic bags with tamper-evident features designed to leave visible evidence if tampered with. It is also referred to as tamper-evident bags.
Security boxes	: It refers to rigid plastic boxes with tamper-evident features designed to leave visible evidence if tampered with. It is also referred to as tamper-evident boxes.
Security seal	: In the context of this Prospectus, it refers to a physical device used to secure and protect the integrity of goods, containers, packages or access points. It is also referred to as a tamper-evident seal.
Security tapes and labels	: It refers to tapes and labels used to attach to a seal or closure mechanism designed to leave visible evidence if tampered with.
Shear bolt	: This refers to a component of a security seal that acts as a fastener which will breakaway when the seal is securely fastened.
Tamper	: This refers to the act of unauthorised manipulation or alternation which will compromise the integrity and security of the sealed goods.
Tamper-evident mechanism	: This refers to the design that can provide indications of unauthorised access, manipulation or alternation of the sealed goods, thus enhancing the integrity of the goods under the security seal.
Tensile strengths	: In the context of this Prospectus, it refers to the minimum force required to break the security seal. Also known as pull strength.
Ticket-in and Ticket-out (TITO) tickets	: This refers to customised blank tickets which are supplied to casinos for TITO system. These blank tickets are then loaded into the TITO machines. When a player cashes out their credits, the machine prints a TITO ticket with a unique code representing the amount of money won. The player can then use this ticket for cash redemption at the casino cashier.

GLOSSARY OF TECHNICAL TERMS

- UV casino scanner : This refers to a device used to scan and detect counterfeit money, casino chips and card using ultraviolet light.
- Verification marker : This refers to an indicator which may be a specific pattern or identifier that is incorporated into the design of the security seal to verify the integrity and authenticity of the sealed goods.

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Nationality / Gender	Designation	Residential Address
Dato' Nick Ng	Malaysian / Male	Non-Independent Non- Executive Chairman	No. 9, Jalan USJ 17/7C Sime UEP 47600 Subang Jaya Selangor
Datuk Adrian Ng	Malaysian / Male	Group Managing Director cum Group Chief Executive Officer	No 22, Jalan Kota U8/102 Jelutong Heights Seksyen U8 40150 Shah Alam Selangor
Ng Weng Choi	Malaysian / Male	Non-Independent Executive Director	No. C-08-8 Condo 9 Bukit Utama No. 9 Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor
Shireen Iqbal Mohamed Iqbal	Binti Malaysian / Female	Senior Independent Non- Executive Director	1, Jalan Tiang Seri U8/73F Bukit Jelutong 40150 Shah Alam Selangor
Tan Kok Yang	Malaysian / Male	Independent Non- Executive Director	82, Jalan RK3/21 Rasah Kemayan 70300 Seremban Negeri Sembilan
Lew Siew Yen	Malaysian / Female	Independent Non- Executive Director	42, Jalan 37/70A Desa Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan

1. CORPORATE DIRECTORY**AUDIT COMMITTEE**

Name	Designation	Directorship
Tan Kok Yang	Chairman	Independent Non-Executive Director
Shireen Iqbal Binti Mohamed Iqbal	Member	Senior Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Lew Siew Yen	Chairman	Independent Non-Executive Director
Shireen Iqbal Binti Mohamed Iqbal	Member	Senior Independent Non-Executive Director
Tan Kok Yang	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Shireen Iqbal Binti Mohamed Iqbal	Chairman	Senior Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director
Tan Kok Yang	Member	Independent Non-Executive Director

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Shireen Iqbal Binti Mohamed Iqbal	Chairman	Senior Independent Non-Executive Director
Tan Kok Yang	Member	Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director
Datuk Adrian Ng	Member	Group Managing Director cum Group Chief Executive Officer

1. CORPORATE DIRECTORY

COMPANY SECRETARIES : Teo Soon Mei
Professional qualification : Chartered Secretary and Chartered Governance Professional
MAICSA
(MAICSA Membership No.: 7018590)
(SSM PC No.: 201908000235)

Tee Wan Ting
Professional qualification : Chartered Secretary and Chartered Governance Professional
MAICSA
(MAICSA Membership No.: 7077906)
(SSM PC No.: 202208000388)

No. D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road
Megan Legasi
No.357, Jalan Kelang Lama
58000 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 7971 8080
Facsimile No. : (603) 7972 8585

REGISTERED OFFICE : No. D-09-02, Level 9, EXSIM Tower
Millerz Square @ Old Klang Road
Megan Legasi
No.357, Jalan Kelang Lama
58000 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 7971 8080
Facsimile No. : (603) 7972 8585

HEAD OFFICE : No. 29, Jalan Anggerik Mokara 31/47
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

Telephone No. : (603) 5122 6118
Facsimile No. : (603) 5121 7118
Email : info@megafortris.com
Website : www.megafortris.com

SOLE PRINCIPAL ADVISER, JOINT UNDERWRITER AND JOINT PLACEMENT AGENT : RHB Investment Bank Berhad
Level 10, Tower One, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 9287 3888
Facsimile No. : (603) 9287 2233 / 3355 / 4770

1. CORPORATE DIRECTORY

**JOINT UNDERWRITER
AND JOINT
PLACEMENT AGENT** : AmInvestment Bank Berhad
22nd Floor, Bangunan Ambank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 2036 2633
Facsimile No. : (603) 2031 5210

**AUDITORS AND
REPORTING
ACCOUNTANTS** : BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)
Level 8
BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 2616 2888
Facsimile No. : (603) 2616 2970
Partner-in-charge : Lee Wee Hoong
Approval No. : 03316/07/2025 J
Professional : Chartered Accountant
qualification : Member of Malaysian Institute of Accountants
("MIA")
(MIA Membership No.: 37567)

LEGAL ADVISERS : Solicitors for our IPO:

Jeff Leong, Poon & Wong
B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 2203 3388
Facsimile No. : (603) 2203 3399

Legal adviser to the Joint Underwriters and Joint Placement Agents as
to Malaysian law:

Christopher & Lee Ong
Level 22, Axiata Tower
No.9, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : (603) 2273 1919
Facsimile No. : (603) 2273 8310

1. CORPORATE DIRECTORY

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS : Vital Factor Consulting Sdn Bhd
V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jln Utara
46200 Petaling Jaya
Selangor

Telephone No. : (603) 7931 3188
Facsimile No. : (603) 7931 2188
Managing Director : 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 and a Fellow of the Australian Marketing Institute and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)

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

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
Wilayah Persekutuan

Telephone No. : (603) 2783 9299
Facsimile No. : (603) 2783 9222

LISTING SOUGHT : Main Market

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

- (i) The SC had, vide its letter dated 6 May 2024, approved the relief we sought from having to comply with the following requirements under the Equity Guidelines. The details of the relief sought are set out below:

Reference	Details of relief granted	Conditions imposed (if any)
Paragraph 5.30, Part II of the Equity Guidelines	Relief from having to provide the moratorium undertaking by all direct and indirect shareholders of LOCAH, namely: <ul style="list-style-type: none"> (i) LGCP in respect of its entire shareholding in LOCAH; (ii) LGIL in respect of its entire shareholding in LGCP; (iii) Orient in respect of its entire shareholding in LGIL; (iv) GE in respect of its entire shareholding in LGIL; and (v) OCBC in respect of its entire shareholding in Orient. 	None
Paragraphs 2(a) and 2(b) of Appendix 4, Part IV of the Equity Guidelines	Relief from complying with the requirement in respect of placement of IPO Shares to be offered under the institutional offering: <ul style="list-style-type: none"> (i) RHB Asset Management Sdn Bhd; (ii) RHB Islamic International Asset Management Berhad; (iii) AmFunds Management Berhad; and (iv) AmIslamic Funds Management Sdn Bhd. 	None

- (ii) The SC had, vide its letter dated 27 June 2024 (“**Approval Letter**”), approved our IPO and Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No.	Conditions	Status of compliance
1.	RHB Investment Bank and our Company to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing.	To be complied

2. INTRODUCTION

- (iii) The SC had, vide its Approval Letter, approved our Company's application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to compliance with the following conditions:

No.	Conditions	Status of compliance
1.	We are to allocate shares equivalent to 12.5% of our enlarged number of issued shares to Bumiputera investors to be approved by MITI in conjunction with the Proposed Listing. In addition, we are to make available at least 50% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	Complied

2.1.2 Bursa Securities

Bursa Securities had, vide its letter dated 7 August 2024, approved our Listing ("**Bursa Securities Approval Letter**").

In the Bursa Securities Approval Letter, our Company and RHB Investment Bank are required to comply with the following:

No.	Conditions	Status of compliance
1.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, we are advised to include the stock code, stock short name and International Securities Identification Number (ISIN) Code upon making the announcement on timetable for IPO.	To be complied
2.	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance to the public security holding spread requirements based on our entire issued share capital on the first day of listing.	To be complied

2.1.3 MITI

The MITI had, vide its letter dated 20 June 2024, taken note of and has no objection to our Listing.

2. INTRODUCTION

2.2 MORATORIUM ON SALE OF SHARES

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, our Shares directly held by Mega Fortris Global as at the date of our Listing will be placed under moratorium for a period of six months from the date of our Listing ("**Moratorium Period**") as set out below:

Name	No. of Shares	% ⁽¹⁾
Mega Fortris Global	549,228,480	65.00
Total	549,228,480	65.00

Note:

(1) Computed based on our enlarged total number of 844,972,480 Shares after our IPO.

Further, pursuant to Paragraph 5.30, Part II of the Equity Guidelines, the following parties have also provided their moratorium undertakings that they will not to sell, transfer or assign any part of their shareholdings in relevant companies during the Moratorium Period:

(i) the shareholders of Mega Fortris Global, namely Mega Fortris Capital, Ng Brothers Estate, LOCAH and OCBC have undertaken not to sell, transfer or assign any part of their shareholdings in Mega Fortris Global during the Moratorium Period, as shown below:

Shareholders of Mega Fortris Global	Shares under moratorium	
	No. of shares held in Mega Fortris Global	%
Mega Fortris Capital	20,018,891	59.23
LOCAH	5,590,842	16.54
OCBC	3,194,767	9.45
Ng Brothers Estate	4,995,000	14.78

Mega Fortris Capital and Ng Brothers Estate have pledged some of their shares in Mega Fortris Global in favour of financial institutions that part funded the Ng Brothers Estate's acquisition of EDBI's equity interest in Mega Fortris Global that was completed on 10 January 2024. The pledged shares are not allowed to be sold, transferred or assigned during the moratorium period, and it will be uplifted upon full settlement of the banking facilities. The financial institutions have provided their consents for Mega Fortris Capital and Ng Brothers Estate to provide their moratorium undertakings.

2. INTRODUCTION

- (ii) the shareholders of Mega Fortris Capital, namely Dato' Nick Ng, Datuk Adrian Ng, Jor-Hol International Aps and Ole Fast, have undertaken not to sell, transfer or assign any part of their shareholdings in Mega Fortris Capital during the Moratorium Period, as shown below:

<u>Shareholders of Mega Fortris Capital</u>	<u>Shares under moratorium</u>	
	<u>No. of shares held in Mega Fortris Capital</u>	<u>%</u>
Dato' Nick Ng	18,420,397	69.20
Datuk Adrian Ng	6,655,018	25.00
Ole Fast	898,896	3.38
Jor-Hol International ApS	645,759	2.42

- (iii) the shareholders of Ng Brothers Estate, namely Dato' Nick Ng and Datuk Adrian Ng, have undertaken not to sell, transfer or assign any part of their shareholdings in Ng Brothers Estate during the Moratorium Period, as shown below:

<u>Shareholders of Ng Brothers Estate</u>	<u>Shares under moratorium</u>	
	<u>No. of shares held in Ng Brothers Estate</u>	<u>%</u>
Dato' Nick Ng	50	50.00
Datuk Adrian Ng	50	50.00

- (iv) the shareholders of Jor-Hol International Aps, namely Mette Jordon Holmelund and Claus Vaupell Holmelund, have undertaken not to sell, transfer or assign any part of their shareholdings in Jor-Hol International Aps during the Moratorium Period, as shown below:

<u>Shareholders of Jor-Hol International Aps</u>	<u>Shares under moratorium</u>	
	<u>No. of shares held in Jor-Hol International Aps</u>	<u>%</u>
Mette Jordon Holmelund	62,500	50.00
Claus Vaupell Holmelund	62,500	50.00

The above parties have provided letters of undertaking to the SC that they will not sell, transfer or assign any part of their shareholdings in relevant companies during the Moratorium Period.

In compliance with the moratorium restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of our Shares held by Mega Fortris Global is not permitted during the moratorium period. Please refer to Section 2.1.1 for the relief sought for all direct and indirect shareholders of LOCAH to provide moratorium undertakings.

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

	No. of Shares	% *
Public Issue		
- Malaysian Public (via balloting)	42,250,000	5.00
- Eligible Persons	25,350,000	3.00
- Institutional and selected investors	42,249,000	5.00
- Identified Bumiputera investors approved by the MITI	38,024,000	4.50
Offer for Sale		
- Identified Bumiputera investors approved by the MITI	67,598,000	8.00
- Institutional and selected investors	80,273,000	9.50
Total	295,744,000	35.00

Market capitalisation upon Listing (based on the IPO Price and the enlarged total number of 844,972,480 Shares upon Listing) RM566.13 million

* Computed based on the enlarged total number of 844,972,480 Shares after our IPO.

Subject to the terms and conditions of this Prospectus, our IPO comprises the Public Issue and Offer for Sale of up to 295,744,000 IPO Shares at our IPO Price of RM0.67 per Share. Please refer to Section 4.1 of this Prospectus for further details.

Our Shares directly held by Mega Fortris Global as at the date of our Listing will be placed under moratorium for a period of six months from the date of our Listing. The moratorium shall also apply to the direct and indirect shareholders of Mega Fortris Global, namely Mega Fortris Capital, Dato' Nick Ng, Datuk Adrian Ng, Jor-Hol International Aps, Ole Fast, Claus Vaupell Holmelund, Mette Jordan Holmelund, Ng Brothers Estate, OCBC and LOCAH. Please refer to Section 2.2 of this Prospectus for further details.

3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Companies Act 1965 on 9 April 1998 as a private limited company under the name of Regalcroft Sdn Bhd and is deemed registered under the Act. We are principally involved in investment holding, design and manufacturing of security seals, and trading of related products and services.

We are specialists in security seals supported by two manufacturing facilities and an office in Selangor, Malaysia, and 11 offices in 11 foreign countries as at the LPD. We have the in-house expertise to carry out end-to-end design and manufacturing of security seals including identifying specific needs of target markets and applications, product conceptualisation, design and prototyping, and manufacturing.

Our business activities are as follows:



- Our security seals are designed and manufactured to **prevent goods from being tampered** and **unauthorised access** to provide assurance to our customers on the integrity and security of their goods during transportation and storage.
- We carry out trading and related activities to complement our in-house designed and manufactured security seals. This allows us to (i) **provide convenience** to our existing customers and (ii) **attract new customers**, as we are able to offer a wider range of related products.

3. PROSPECTUS SUMMARY

(i) Design and manufacturing

Our manufacturing facilities in Selangor, Malaysia are equipped with horizontal and vertical injection moulding machines supported by in-house tooling capabilities for the fabrication of moulds, laser marking facilities and manual assembly for certain products. As at the LPD, our annual production capacity of security seals is approximately 551 million pieces per year.

We have security seals that comply with ISO 17712 standards for three different classes including indicative (“I”), security (“S”) and high-security (“H”) classes (valid from 15 June 2024 to 14 June 2025, and renewable on a yearly basis). We submit renewal application for our ISO certifications within 90 days before their expiry dates. Our compliance with ISO 17712 standards requires adherence to specific design requirements to prevent illegal tampering or unauthorised access to goods, which include seal strength, identification and tamper-evidence. The ISO 17712 standards are for mechanical freight container seals but is sometimes also used as an indication of the security level of seals for other applications.

(ii) Trading and related services

We trade load securement products and other related products and services. Load securement products are used to secure cargo and loads inside vessels such as ships, trains, planes and trucks during transportation to prevent load shifting and damage to the products and cargo. The types of load securement products we trade include dunnage bags, polyester cord strapping and lashing systems. Other related products that we trade comprise security tapes and labels, and others related products such as security boxes and bags, TITO tickets, and UV casino scanner.

In addition, we distribute and maintain a playing card security box tracking software system, namely Mega Casino Management System, which enable our customers which are casino operators to track and monitor the movement, status and historical information of the security boxes throughout the supply chain. This includes tracking the movement of the playing cards in the security boxes which are kept in the warehouse till their destruction. The tracking and monitoring of the security boxes can be carried out by scanning the unique barcode marked on the security seals. We source the system from our supplier who is the developer and owner of the said system.

As at the LPD, we have operations in 12 countries (including sales offices in 11 foreign countries) as shown below:



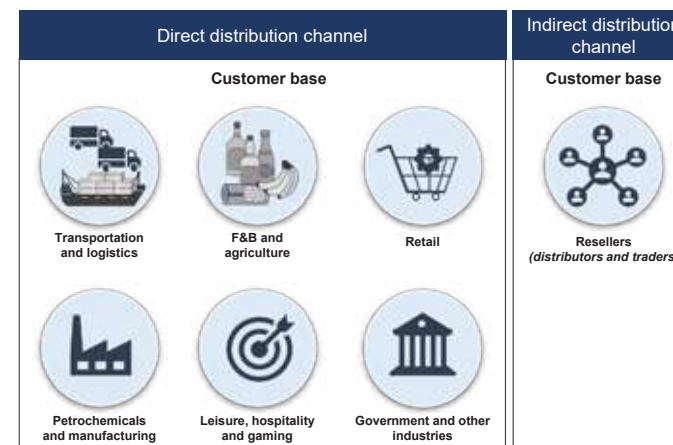
■ Revenue contribution of more than 10% for at least one of the FYE Under Review

3. PROSPECTUS SUMMARY

Our revenue was mainly derived from our combined foreign operations which accounted for 78.65%, 79.27%, 75.48% and 73.41% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively; whilst our operations in Malaysia accounted for 21.35%, 20.73%, 24.52% and 26.59%.

We mainly adopt a direct distribution channel where we market and sell our products directly to customers who are the end-users of our products. We also utilise an indirect distribution channel where we sell our products to resellers who will subsequently resell them to end-users or other resellers, as shown in the diagram on the right.

Our revenue from direct distribution channels accounted for 70.35%, 69.86%, 71.95%, and 74.15% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively; whilst our revenue from indirect distribution channels accounted for 29.65%, 30.14%, 28.05% and 25.85%. For the FYE Under Review, the transportation and logistics industry is our largest revenue contributor under the direct distribution channel.

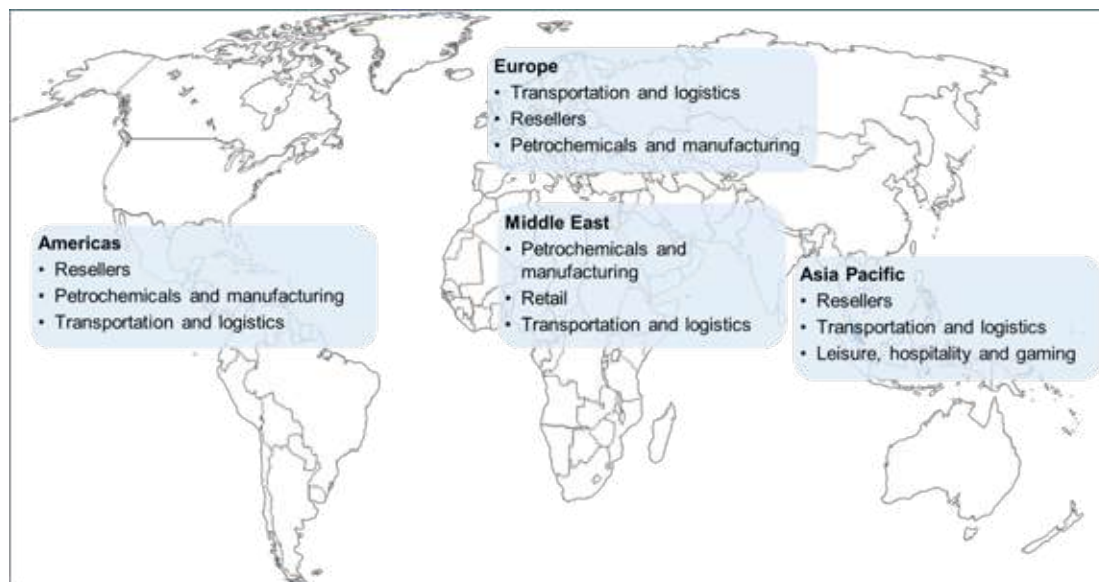


Customer bases/ end-user industries	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution	95,043	70.35	108,436	69.86	116,064	71.95	123,622	74.15
Transportation and logistics	28,061	20.77	27,557	17.75	25,141	15.59	26,730	16.03
Petrochemicals and manufacturing	21,630	16.01	23,732	15.29	23,843	14.78	27,126	16.27
F&B and agriculture	12,182	9.02	16,113	10.38	18,346	11.37	14,764	8.86
Retail	9,702	7.18	11,743	7.57	11,448	7.10	12,584	7.55
Leisure, hospitality and gaming	4,882	3.61	6,347	4.09	8,789	5.45	15,487	9.29
Government	5,031	3.72	4,281	2.76	5,149	3.19	4,859	2.91
Others	13,555	10.04	18,663	12.02	23,348	14.47	22,072	13.24
Indirect distribution	40,055	29.65	46,775	30.14	45,239	28.05	43,090	25.85
Resellers	40,055	29.65	46,775	30.14	45,239	28.05	43,090	25.85
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

Please refer to Section 7.3.4 for further details on our revenue contribution by distribution channels and customer base for the FYE Under Review.

3. PROSPECTUS SUMMARY

We serve customers in diverse industries within various regions namely, Asia Pacific, Europe, Americas and Middle East regions. This is supported by our office in Selangor, Malaysia and offices in 11 foreign countries. For the FYE Under Review, our top three customer bases/end-user industries in each of the regions we serve are set out below:



For the FYE under Review, revenue contribution by the region of operations is set out below:

Revenue by region of operations	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Asia Pacific	42,735	31.63	46,836	30.18	56,363	34.94	63,095	37.84
Americas	32,464	24.03	42,565	27.42	42,081	26.09	44,997	26.99
Europe	53,449	39.57	57,866	37.28	53,189	32.98	49,579	29.74
Middle East	6,450	4.77	7,944	5.12	9,670	5.99	9,041	5.43
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

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

3.3 AWARDS AND RECOGNITIONS

As at the LPD, we have been accredited with the following certifications and management systems:

Certification	Scope	Issuing party	Validity period
ISO 14001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 – June 2025
ISO 9001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 – June 2025
ISO 17712: 2013	Design and manufacturing of security seals	SGS United Kingdom Ltd	June 2024 – June 2025

Please refer to Section 7.2 of this Prospectus for further details.

3. PROSPECTUS SUMMARY

3.4 BRAND NAMES, PATENTS, TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

As at the LPD, we have registered over 16 trademarks, 19 patents and 20 industrial designs which are used in our operations in over 30 countries, some of which we have licensed to our distributors for their operations and promotional materials.

Please refer to Section 7.22 and Annexure B of this Prospectus for further details.

3.5 OUR COMPETITIVE STRENGTHS

- (i) We have an **established track record of 28 years** in the security seal industry to serve as a reference and the platform to sustain and grow our business;
- (ii) Our in-house designed and manufactured products are mainly marketed and **sold under our brand “Mega Fortris” to enable us to build brand equity** to sustain and grow our business;
- (iii) We have **patented products that protect our design and innovation** to sustain our competitive advantages;
- (iv) We **have a wide range of security products** that enable us to address a large number of user industries to sustain and grow our business;
- (v) We have **wide geographic coverage (including Asia Pacific, Europe, the Americas and the Middle East)** to provide us with a large addressable market;
- (vi) We **sell to intermediaries such as distributors and traders to enlarge our market coverage** without requiring us to invest in sales resources and infrastructure;
- (vii) We have **offices in 12 countries** to sustain and grow our business;
- (viii) Our products are **essential products for some end-user industries** to ensure the integrity and security of goods during transportation and storage; and
- (ix) We have **experienced Executive Directors and Key Senior Management** to sustain and grow our business.

Please refer to Section 7.5 of this Prospectus for further details.

3.6 OUR BUSINESS STRATEGIES AND PLANS

Our key strategies and plans include expanding facilities in our existing markets in Malaysia and Europe to support our business expansion as well as venturing into a new business which requires us to set up new manufacturing facilities in Selangor, Malaysia and Macao.

Please see below for further details of our business strategies and plans.



3. PROSPECTUS SUMMARY

- (i) **New production facilities in Malaysia:** We intend to upgrade our existing machinery in Selangor, Malaysia, as well as purchase additional machinery and equipment to integrate and convert them into automated production lines. We will also purchase one additional new automated production line. This will improve consistency in our product quality by reducing human intervention in certain processes.
- (ii) **New production facilities in UK:** We intend to establish a New UK Factory (including centralised warehouse and automated production lines) to service our customers in various regions including Europe, Americas, Middle East, and Africa. This facility will work in conjunction with our Malaysian operations to optimise production planning, reduce lead times, minimise logistics costs, and improve the overall supply chain.
- (iii) **New business venture in Malaysia and Macao:** We intend to venture into a new business to provide total solution in supplying and handling of playing cards in sealed security boxes in Malaysia and Macao. This venture complements our existing business of manufacturing security boxes for playing cards and security seals for the security boxes, allowing us to offer an end-to-end solution to our customers which are casino operators (i.e. from the manufacturing, storage and handling of playing cards until its destruction).

Please refer to Section 7.19 of this Prospectus for further details.

3.7 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM99.07 million from the Public Issue will be utilised by our Group in the following manner, and as further set out in Section 4.5 of this Prospectus:

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	(RM'000)	%	
Capital expenditures for:			
(i) establishment of a new UK Factory	42,979	43.38	Within 36 months
(ii) new business venture in Macao	45,000	45.42	Within 36 months
Defray listing expenses	11,095	11.20	Immediate
Total	99,074	100.00	

3.8 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. Set out below are the key risks faced by us in our business operations:

- (i) Risks relating to our business and operations
- we are exposed to risks of damage to our reputation and brand equity, and imitation of our products.
 - we are exposed to risk of foreign exchange rate fluctuation.
 - we are exposed to risk of increase in sea freight rates.
 - we are subject to regulations relating to occupational safety and health administration and environment.
 - we are dependent on our major licences, permits and regulatory approvals from relevant government authorities and regulatory agencies.
 - we are subject to the availability of labour for our production operations and the increasing labour costs.
 - we may not be able to realise the anticipated benefits of our future plans.

3. PROSPECTUS SUMMARY

- (h) we may be exposed to the risks of non-renewal of certain certifications.
- (i) we are dependent on our Executive Directors and Key Senior Management for our continued success and growth of our business.
- (j) we are exposed to the risk of our distributors who use our brand name “Mega Fortris” tarnishing our brand and reputation.
- (k) we are exposed to risks of disruptions to our business operations at our manufacturing plants in Selangor, Malaysia.
- (ii) Risks relating to the industry in which we operate
 - (a) we face competition from other security seal operators in Malaysia and foreign countries.
 - (b) we are subject to the demand from user industries and preferences relating to technological advancements and product innovation.
 - (c) we are subject to adverse economic, social, political and regulatory developments and occurrence of force majeure events.
 - (d) our products are subjected to fluctuations in input material price.
- (iii) Risks relating to investment in our Shares
 - (a) there has been no prior market for our Shares and it is uncertain whether an active market will ever develop.
 - (b) we may not be able to pay dividends to our shareholders.
 - (c) our Share price and trading volume may be volatile.
 - (d) the interests of our Promoters and substantial shareholders who control our Company may not be aligned with the interests of other shareholders.
 - (e) possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares.

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

3.9 OUR DIRECTORS AND KEY SENIOR MANAGEMENT

Name	Designation
Directors	
Dato' Nick Ng	Non-Independent Non-Executive Chairman
Datuk Adrian Ng	Group Managing Director cum Group Chief Executive Officer
Ng Weng Choi	Non-Independent Executive Director
Shireen Iqbal Binti Mohamed Iqbal	Senior Independent Non-Executive Director
Tan Kok Yang	Independent Non-Executive Director
Lew Siew Yen	Independent Non-Executive Director
Key Senior Management	
Sim Li Huang	Group Chief Finance Officer
Jason Francis White	Group Chief Operating Officer
Ng Foong Yuon	Compliance Director

Please refer to Sections 5.2 and 5.4 of this Prospectus for further details.

3. PROSPECTUS SUMMARY

3.10 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Details of our Promoters, substantial shareholders, Directors, and Key Senior Management and their shareholdings in our Company (before and after our IPO) are set out below:

Name	Nationality / Country of Incorporation	As at the LPD and before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<u>Promoters and substantial shareholders</u>									
Dato' Nick Ng	Malaysian	-	-	697,099,480 ⁽¹⁾	100.00	-	-	549,228,480 ⁽¹⁾	65.00
Datuk Adrian Ng	Malaysian	-	-	697,099,480 ⁽¹⁾	100.00	-	-	549,228,480 ⁽¹⁾	65.00
Mega Fortris Capital	British Virgin Islands	-	-	697,099,480 ⁽²⁾⁽³⁾	100.00	-	-	549,228,480 ⁽²⁾⁽³⁾	65.00
Ng Brothers Estate	Malaysian	-	-	697,099,480 ⁽²⁾⁽³⁾	100.00	-	-	549,228,480 ⁽²⁾⁽³⁾	65.00
Mega Fortris Global	Singaporean	697,099,480	100.00	-	-	549,228,480	65.00	-	-
<u>Substantial shareholders</u>									
OCBC	Singaporean	-	-	697,099,480 ⁽²⁾⁽⁴⁾	100.00	-	-	549,228,480 ⁽²⁾⁽⁴⁾	65.00
LOCAH	Singaporean	-	-	697,099,480 ⁽²⁾⁽⁴⁾	100.00	-	-	549,228,480 ⁽²⁾⁽⁴⁾	65.00

Notes:

- (1) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate and Mega Fortris Global.
- (2) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Global.
- (3) Mega Fortris Capital and Ng Brothers Estate are associates of each other by virtue of Section 8 of the Act. Accordingly, Mega Fortris Capital and Ng Brothers Estate are deemed to be interested in our Shares as they collectively hold 74.01% of the shares in Mega Fortris Global.
- (4) LOCAH and OCBC are associates of each other by virtue of Section 8 of the Act. Accordingly, LOCAH and OCBC are deemed to be interested in our Shares as they collectively hold 25.99% of the shares in Mega Fortris Global. Please refer to Sections 5.1.2(vi) and (vii) of this Prospectus for details on the shareholders of LOCAH and OCBC respectively.

Please refer to Sections 5.1, 5.2 and 5.4 of this Prospectus for further details.

3. PROSPECTUS SUMMARY

3.11 FINANCIAL AND OPERATIONAL INFORMATION

The following sets out a summary of our combined financial information for the FYE Under Review, and as further set out in Sections 12 and 13 of this Prospectus:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
<u>Combined statements of profit or loss and other comprehensive income *</u>				
Revenue	135,098	155,211	161,303	166,712
GP	47,791	51,569	61,724	75,548
PBT	7,007	8,532	19,725	25,224
PAT	4,556	6,972	15,901	21,611
<u>Combined statements of cash flows</u>				
Net cash from operating activities	15,824	7,713	19,534	10,292
Net cash (used in)/from investing activities	(5,983)	(4,989)	1,524	(18,574) ⁽¹⁾
Net cash (used in)/from financing activities	(16,993)	(480)	(15,792)	28,216
Net (decrease)/increase in cash and cash equivalents	(7,152)	2,244	5,266	19,934
Effect of exchange rate differences	(52)	970	3,664	270
Cash and cash equivalents at the beginning of the financial year	18,198	10,994	14,208	23,138
Cash and cash equivalent at the end of the financial year	10,994	14,208	23,138	43,342
<u>Other selected financial information</u>				
EBITDA (RM'000)	17,590	19,765	32,200	37,899
GP margin (%)	35.38	33.23	38.27	45.32
PBT margin (%)	5.19	5.50	12.23	15.13
PAT margin (%)	3.37	4.49	9.86	12.96

Notes:

* Only represents results from continuing operations. The results from Mega Fortris South Africa and its 60%-owned subsidiary, Mega Fortris Mzansi have been classified as discontinuing operations for the FYE Under Review as these companies are in the process of deregistration.

(1) The net cash used in investing activities for FYE 2024 includes the purchase of No. 56 Property of RM14.54 million, deposit payment for the Playing Card Manufacturing Line (including interest on term loan) of RM10.60 million, and purchase of tools and equipment, and relevant machinery for our injection moulding machines of RM1.99 million. Please refer to Section 12.3.11(ii)(b) of this Prospectus for further details.

3. PROSPECTUS SUMMARY

3.12 DIVIDEND POLICY

We target a payout ratio of up to 30% of our PAT attributable to owners of our Company for each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

The dividends declared and paid by our Group for the FYE Under Review are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	4,867	2,038	3,023	1,397
Dividends paid:				
- To shareholders	4,578	1,527	1,612	-
- To minority interests ⁽¹⁾	289	511	1,411	1,397
PAT	4,556	6,972	15,901	21,611
Dividend payout ratio ⁽²⁾	106.83%	29.23%	19.01%	6.46%

Notes:

(1) This represents dividends paid by our subsidiaries to its minority interest. The dividends paid by our subsidiaries to our Company is eliminated upon consolidation.

(2) Computed as dividends paid divided by PAT for continuing operations.

From 1 July 2024 up to the LPD, no dividend was declared and paid. As at the LPD, our Company has no intention to declare any further dividends up to the completion of our Listing.

Further details of our dividend policy are set out in Section 12.5 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated or transferred in the manner described below, subject to clawback and reallocation provisions as set out in Section 4.1.4 of this Prospectus.

4.1.1 Public Issue

Our Public Issue of 147,873,000 Issue Shares, representing 17.50% of the enlarged total number of 844,972,480 Shares, are offered at our IPO Price, and will be allocated in the following manner:

(i) Malaysian Public (via balloting)

42,250,000 Issue Shares, representing 5.00% of the enlarged total number of 844,972,480 Shares, will be made available for application by the Malaysian Public by way of balloting, of which 50.00% will be set aside for Bumiputera investors.

(ii) Eligible Persons

25,350,000 Issue Shares, representing 3.00% of the enlarged total number of 844,972,480 Shares will be made available for application by Eligible Persons under the Pink Form Allocation.

A summary of the allocation of 25,350,000 Issue Shares to Eligible Persons is set out below:

Eligibility	No. of persons	Aggregate number of Issue Shares allocated
Eligible Directors ⁽¹⁾	4	4,000,000
Eligible employees ⁽²⁾	66	20,550,000
Person who have contributed to the success of our Group ⁽³⁾	1	800,000
Total	71	25,350,000

Notes:

(1) Eligible Directors

The criteria for allocation to our eligible Directors is based on their respective roles, responsibilities and anticipated contributions to our Group. Our eligible Directors will collectively be allocated a total of 4,000,000 Issue Shares as follows:

Name	Designation	Number of Issue Shares allocated
Ng Weng Choi	Executive Director	2,500,000
Shireen Iqbal Binti Mohamed Iqbal	Senior Independent Non-Executive Director	500,000
Tan Kok Yang	Independent Non-Executive Director	500,000

4. DETAILS OF OUR IPO

<u>Name</u>	<u>Designation</u>	<u>Number of Issue Shares allocated</u>
Low Siew Yen	Independent Non-Executive Director	500,000
Total		4,000,000

(2) Eligible employees

The criteria of allocation to our eligible employees is based on, among others, the following factors:

- (i) confirmed full-time employee and on the payroll of our Group; and
- (ii) seniority, position, length of service, past performance and past contribution to our Group.

Our Eligible Employees will collectively be allocated 20,550,000 Issue Shares as follows:

- (i) 5,200,000 Issue Shares to be allocated to our Key Senior Management as follows:

<u>Name</u>	<u>Designation</u>	<u>Number of Issue Shares allocated</u>
Sim Li Huang	Group Chief Finance Officer	1,800,000
Ng Foong Yuon	Compliance Director	1,800,000
Jason Francis White	Group Chief Operating Officer	1,600,000
Total		5,200,000

- (ii) 15,350,000 Issue Shares to be allocated to our other eligible employees (save for our Key Senior Management).

(3) Person who have contributed to the success of our Group

The criteria of allocation to person who have contributed to the success of our Group is based on his length of business relationship (he was a previous director of Mega Fortris Europe and a current director of our customer, namely MFIB), and level of support and contribution to our Group, and he will be allocated 800,000 Issue Shares.

(iii) Bumiputera investors approved by the MITI via private placement

38,024,000 Issue Shares, representing 4.50% of the enlarged total number of 844,972,480 Shares, will be made available by way of private placement to identified Bumiputera investors approved by the MITI.

(iv) Institutional and selected investors via private placement

42,249,000 Issue Shares, representing 5.00% of the enlarged total number of 844,972,480 Shares, will be made available by way of private placement to institutional and selected investors.

4. DETAILS OF OUR IPO

4.1.2 Offer for Sale

The Selling Shareholder will offer up to 147,871,000 Offer Shares, representing 17.50% of the enlarged total number of 844,972,480 Shares, at our IPO Price by way of private placement to institutional and selected investors, and identified Bumiputera investors approved by the MITI in the following manner:

- (i) up to 80,273,000 Offer Shares, representing 9.50% of the enlarged total number of 844,972,480 Shares, to institutional and selected investors; and
- (ii) up to 67,598,000 Offer Shares, representing 8.00% of the enlarged total number of 844,972,480 Shares, to identified Bumiputera investors approved by the MITI.

The Offer Shares to be offered by the Selling Shareholder and its shareholding in our Company before and after our IPO are as follows:

Name / Address	Nature of relationship	As at the LPD and before our IPO				Offer Shares Offered		After our IPO			
		Direct		Indirect		No. of Shares	%(1)	Direct		Indirect	
		No. of Shares	%(1)	No. of Shares	%(1)			No. of Shares	%(2)	No. of Shares	%(2)
Mega Fortris Global / 16 Collyer Quay #17-00 Collyer Quay Centre Singapore 049318	Promoter and substantial shareholder	697,099,480	100.00	-	-	147,871,000	21.21	549,228,480	65.00	-	-

Notes:

- (1) Computed based on the total number of 697,099,480 Shares before our IPO.
- (2) Computed based on the enlarged total number of 844,972,480 Shares after our IPO.

Based on our IPO Price, the Offer for Sale will raise gross proceeds of up to approximately RM99.07 million, which will accrue entirely to our Selling Shareholder. The Selling Shareholder shall bear the entire incidental expenses and fees relating to the Offer for Sale.

4. DETAILS OF OUR IPO

4.1.3 Summary of our IPO Shares to be allocated and underwritten

A summary of our IPO Shares offered under the Retail Offering and Institutional Offering (subject to clawback and reallocation provisions set out in Section 4.1.4 of this Prospectus) is as follows:

Category	Public Issue		Offer for Sale		IPO Shares	
	No. of Issue Shares	% ⁽¹⁾	No. of Offer Shares	% ⁽¹⁾	No. of IPO Shares	% ⁽¹⁾
Retail Offering						
Malaysian Public (via balloting)						
- Bumiputera investors	21,125,000	2.50	-	-	21,125,000	2.50
- Non-Bumiputera investors	21,125,000	2.50	-	-	21,125,000	2.50
Eligible Persons						
- Eligible Directors	4,000,000	0.47	-	-	4,000,000	0.47
- Eligible employees	20,550,000	2.44	-	-	20,550,000	2.44
- Person who have contributed to the success of our Group	800,000	0.09	-	-	800,000	0.09
Institutional Offering						
Institutional and selected investors	42,249,000	5.00	80,273,000	9.50	122,522,000	14.50
Identified Bumiputera investors approved by the MITI	38,024,000	4.50	67,598,000	8.00	105,622,000	12.50
Total	147,873,000	17.50	147,871,000	17.50	295,744,000	35.00

Note:

(1) Computed based on the enlarged total number of 844,972,480 Shares after our IPO.

The Retail Offering has been fully underwritten, while the Institutional Offering is not underwritten. Irrevocable undertakings will be obtained from investors who subscribe for our IPO Shares made available under the Institutional Offering.

4. DETAILS OF OUR IPO

Our IPO is subject to the public shareholding spread requirement as stipulated under the Listing Requirements.

The Retail Offering will be allocated on a fair and equitable manner, and the basis of allocation for our Issue Shares shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants to broaden our shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid and adequate market in our Shares. Applicants for the Institutional Offering will be selected in such manner as may be determined by our Joint Placement Agents, in consultation with our Company, to be in the best interest of our Company. Our Joint Placement Agents, in consultation with our Company, has the absolute discretion to decide whether to accept or reject any placement application.

There is no over-allotment or “greenshoe” option which will increase the number of our IPO Shares.

4.1.4 Clawback and reallocation

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

- (i) if any of our IPO Shares allocated to the identified Bumiputera investors approved by the MITI (“**MITI Tranche**”) is under-subscribed, such IPO Shares will be allocated to institutional investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for our Issue Shares by the Bumiputera public investors under the Retail Offering, our IPO Shares will be clawed back from the remaining MITI Tranche and firstly allocated to the Bumiputera public investors under the Retail Offering, followed by the order of priority as specified under item (ii) below;

- (ii) subject to item (i) above, if there is an under-subscription in the Institutional Offering and there is an over-subscription in the Retail Offering, our IPO Shares not taken up may be clawed back from the Institutional Offering and be reallocated to the Retail Offering in the following order of priority:
 - (a) firstly, to the Malaysian Public; and
 - (b) secondly, to the Eligible Persons allocated on a fair and equitable basis in the manner as set out in items (iv)(a) and (b) below.
- (iii) if that there is an under-subscription in the Retail Offering and there is an over-subscription in the Institutional Offering, our IPO Shares not taken up may be clawed back from the Retail Offering and reallocated to the Institutional Offering;
- (iv) any of our Issue Shares allocated to Eligible Persons but not taken up by them shall be made available to other Eligible Persons who have applied for excess Issue Shares (if any) in addition to their pre-determined allocation of our Issue Shares (“**Excess Shares**”). Such Excess Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:
 - (a) firstly, allocation on a pro-rata basis to Eligible Persons who have applied for Excess Shares based on the number of Excess Shares applied for; and
 - (b) secondly, to minimise odd lots.

4. DETAILS OF OUR IPO

Any of our allocated Issue Shares not fully taken up by Eligible Persons will be made available for application by the Malaysian Public under the Retail Offering. Any of our Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be taken up by our Joint Underwriters based on the terms and conditions of the Underwriting Agreement.

The clawback and reallocation provisions will not apply if there is an over-subscription or under-subscription in both the Retail Offering and Institutional Offering at the closing date of our IPO.

As at the LPD, to the best of our knowledge and belief:

- (i) there is no substantial shareholder, Director or Key Senior Management who have indicated that they intend to subscribe for our IPO Shares, save for our IPO Shares made available for application under the Pink Form Allocation; and
- (ii) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

Notwithstanding the above, if there is an under-subscription for our IPO Shares (but in excess of 147,873,000 Issue Shares), the subscriptions received for our IPO Shares will first be applied towards subscribing in full the Issue Shares under our Public Issue. Thereafter, any additional subscription for our IPO Shares will be allocated from the Offer Shares and any remaining Offer Shares not subscribed for will be retained by the Selling Shareholder. For the avoidance of doubt, our Public Issue will take priority over the Offer for Sale if there is an undersubscription of our IPO Shares.

4.1.5 Minimum subscription

There is no minimum subscription in terms of the proceeds to be raised from our IPO. However, the minimum subscription level in terms of the number of our IPO Shares will be the number of Shares required to be held by public shareholders for our Company to comply with the public shareholding spread requirements under the Listing Requirements or as approved by Bursa Securities. Under the Listing Requirements, we are required to have a minimum of 25.00% of the total number of our Shares in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of Listing.

If the aforesaid public shareholding spread requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.6 of this Prospectus for details on the risk of delay or failure of our Listing.

4. DETAILS OF OUR IPO

4.2 SHARE CAPITAL

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

Details	No. of Shares	RM
Total number of Shares as at the date of this Prospectus	697,099,480	34,854,974.00
New Shares to be issued pursuant to our Public Issue	147,873,000	96,102,663.00 ⁽¹⁾
Enlarged total number of Shares upon Listing	844,972,480	130,957,637.00
Offer for Sale	147,871,000	99,073,570.00
IPO Price		0.67
Market capitalisation upon Listing based on our IPO Price and the enlarged total number of 844,972,480 Shares upon Listing		566,131,561.60
Pro forma consolidated NA per Share as at 30 June 2024 after adjusting for our Public Issue and the intended use of proceeds		0.25 ⁽²⁾

Notes:

- (1) After deducting the estimated listing expenses of approximately RM2.97 million which is directly attributable to the issuance of our IPO Shares and offset against our share capital.
- (2) Computed based on the pro forma NA after our IPO and adjusting for the use of proceeds from our Public Issue, and the enlarged total number of 844,972,480 Shares after our IPO.

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

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

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

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

4. DETAILS OF OUR IPO

4.3 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price of RM0.67 per IPO Share was determined and agreed upon between our Directors and our Promoters, together with our Sole Principal Adviser, Joint Underwriters and Joint Placement Agents, after taking into consideration the following factors:

- (i) price-to-earnings ratio of approximately 29.13 times based on our Group's EPS of approximately RM0.023 after taking into account our audited combined PAT attributable to owners of RM19.04 million for the FYE 2024 and our enlarged total number of 844,972,480 Shares upon Listing;
- (ii) our pro forma combined NA per Share of RM0.25 as at 30 June 2024 after adjusting for the use of proceeds from our Public Issue and based on our enlarged total number of 844,972,480 Shares upon Listing;
- (iii) our operating history and financial performance as described in Sections 7 and 12 of this Prospectus respectively;
- (iv) our competitive strengths as described in Section 7.5 of this Prospectus;
- (v) our business strategies and plans as set out in Section 7.19 of this Prospectus; and
- (vi) industry overview and future outlook of the security seal industry as set out in Section 8 of this Prospectus.

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

4.4 DILUTION

Dilution is computed as the difference between our IPO Price paid by you for our Issue Shares and our pro forma consolidated NA per Share after our IPO. The following table illustrates the effect in our Group's pro forma consolidated NA for each Share to our shareholders:

		<u>RM</u>
IPO Price	(A)	0.67
Pro forma consolidated NA per Share as at 30 June 2024 but before our Public Issue	(B)	0.18
Pro forma consolidated NA per Share as at 30 June 2024 after our Public Issue and the intended use of proceeds	(C)	0.25
Increase in the pro forma consolidated NA per Share attributable to existing shareholders	(C - B)	0.07
Dilution in the pro forma consolidated NA per Share to new investors	(A - C)	0.42
Dilution in the pro forma consolidated NA per Share to new investors as a percentage of our IPO Price	(A - C) / (A)	62.69%

4. DETAILS OF OUR IPO

Please refer to Section 14 of this Prospectus for further details of our Group's pro forma consolidated NA per Share as at 30 June 2024.

Save as disclosed below, there is no substantial disparity between our IPO Price and effective cash cost of our Shares acquired by our Promoters, Directors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares in the past three years and up to the LPD:

<u>Name</u>	<u>No. of our Shares allotted before our IPO</u>	<u>Total consideration</u> RM	<u>Effective cash cost per Share</u> RM
Promoter and substantial shareholder			
Mega Fortris Global	33,711,974 ⁽¹⁾	33,711,974	1.00

Note:

- (1) Issued pursuant to the Acquisitions as part of the Pre-IPO Reorganisation. Please refer to Section 6.1.2.1 of this Prospectus for further details on the Acquisitions.

Further, there are arrangements for (i) LOCAH and OCBC to swap their shareholdings in Mega Fortris Global with our Shares held by Mega Fortris Global after the moratorium period and (ii) Dato' Nick Ng and Datuk Adrian Ng to exchange the redeemable preference shares in Ng Brothers Estate held by their holders with our Shares after the moratorium period (if the option is exercised by the holders). Please refer to Sections 5.1.2(iv) and 5.1.3 of this Prospectus for further details. However, there will be no dilution in the shareholdings of our IPO investors given that our Company will not be issuing new Shares for the share exchange.

4.5 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM99.07 million from our Public Issue will be utilised by our Group in the following manner:

<u>Utilisation of proceeds</u>	<u>Note</u>	<u>Amount of proceeds</u>		<u>Estimated timeframe for utilisation from the date of our Listing</u>
		<u>(RM'000)</u>	<u>%</u>	
Capital expenditures for:				
(i) new production facilities (including centralised warehouse) with automated production lines for security seals in UK	(1)(i)	42,979	43.38	Within 36 months
(ii) new business venture in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao	(1)(ii)	45,000	45.42	Within 36 months
Defray listing expenses	(2)	11,095	11.20	Immediate
		<u>99,074</u>	<u>100.00</u>	

4. DETAILS OF OUR IPO

Notes:

(1) Capital expenditure:

We intend to allocate a total of approximately RM87.98 million or approximately 88.80% of our Public Issue proceeds to fund the capital expenditures relating to the establishment of a New UK Factory and new business venture in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao.

The estimated gross proceeds to be utilised per annum for the capital expenditures are as follows:

	Estimated gross proceeds to be utilised per annum						Total RM'000
	2025		2026		2027		
	RM'000	%	RM'000	%	RM'000	%	
Establishment of a New UK Factory	14,064	43.86	28,915	100.00	-	-	42,979
New business venture in Macao	18,000	56.14	-	-	27,000	100.00	45,000
Total	32,064	100.00	28,915	100.00	27,000	100.00	87,979

(i) New production facilities (including centralised warehouse) with automated production lines for security seals in UK

We intend to decentralise our manufacturing capacity and grow our business in foreign countries by setting up new production facilities for security seals including automated production lines (including centralised warehouse) in UK to service customers in the Europe, Americas, Middle East and Africa regions. The decentralisation of our manufacturing capacity will allow our Group to increase our number of production facilities from a single point in Malaysia to other geographically strategic location.

The rationale for setting up the New UK Factory includes the following:

- (a) to improve service to our customers in the European region by reducing delivery times due to the reduced shipping and logistics lead time;
- (b) to enhance our Group's brand awareness and image in the European region as it demonstrates our long-term commitment to the European market and our continued dedication in servicing the requirements of the stakeholders in the European region; and
- (c) to optimise our Group's manufacturing operations, provide shorter lead-time and minimise logistics costs for the delivery of goods to customers. In addition, the New UK Factory will serve as a backup to our Group's existing manufacturing facilities in Selangor, Malaysia.

We intend to utilise approximately RM42.98 million, representing approximately 43.38% of the gross proceeds to be raised from our Public Issue to set up the New UK Factory.

4. DETAILS OF OUR IPO

The operations of the New UK Factory will be undertaken by our subsidiary, namely Mega Fortris UK, and is to be implemented in three phases as set out below:

Purpose	Allocation of IPO proceeds (RM'000)	Expected completion ⁽¹⁾
Phase 1	14,064	By 1st quarter of 2026
– To commence the set-up of the New UK Factory and also purchase additional laser marking machines, quality control equipment and related machines to be installed at the factory.		
Phase 2	22,080	By 1st quarter of 2027
– To identify the specific machinery and equipment and finalising the purchase of major machinery including two automated lines and nine cable processing and related machines.		
Phase 3	6,835	By 3rd quarter of 2027
– To purchase additional major machinery including three automated lines, one automated machine for twister and one injection moulding machine.		
Total	<u>42,979</u>	

Note:

- (1) Being the expected timing of completion based on our project timeline. Further, the timing for utilisation of proceeds is disclosed in the previous table under Note (1) of Section 4.5 of this Prospectus.

On 22 August 2024, our Group has entered into a tenancy agreement for the New UK Factory which is located opposite our Group's existing operations in UK. Please refer to Section 7.19.1.2 of this Prospectus for further details (including the total estimated costs and project timeline) on the establishment of the New UK Factory.

We have carried out an internal technical assessment (including an assessment on the feasibility of expanding to the UK as compared to other countries taking into account amongst others, (i) labour requirements and costs, (ii) regulatory and political environments and (iii) commercial viability such as proximity of the manufacturing plant to our existing and future customers and suppliers, and the operational costs) to ensure the New UK Factory's operations aligns with the requirements of our Group and a financial feasibility assessment for the New UK Factory that arrived at a payback period of approximately seven years to recover the original cost of investment.

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

4. DETAILS OF OUR IPO

(ii) New business in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao

Our Group intends to venture into a new business to provide a total solution in supplying and handling of playing cards in sealed security boxes. This new business venture:

- (a) is complementary to our Group's existing business of manufacturing of security boxes for playing cards and security seals for the security boxes; and
- (b) allows our Group to offer an end-to-end solution to our customers which are casino operators, from the manufacturing, storage and handling of playing cards until the destruction of used playing cards.

Our Group intends to undertake the playing card business after taking into consideration that our Group currently serves 39 casino operators in Macao, Philippines, Vietnam, Cambodia and other countries for our security seals (including security boxes) during the FYE Under Review. The casino operators that we serviced include MGM Grand Paradise S.A., Galaxy Casino, S.A. and Bloomberry Resorts & Hotels Inc. We derive RM4.25 million (3.15%), RM5.75 million (3.70%), RM7.54 million (4.67%) and RM10.52 (6.31%) million of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively from customers which are casino operators. As our Group already have business relationships with them, these customers will form our Group's initial target customers for the playing cards business. Subsequently, our Group will expand our customer base to other countries in the Asia Pacific region such as Australia, Thailand and Japan.

The playing card business will be undertaken in two phases as set out below:

Phase	Brief description
Phase 1 (2nd quarter of 2024 to 4th quarter of 2025)	<ol style="list-style-type: none"> 1. To place orders for the first Playing Card Manufacturing Line from Heidelberg Malaysia Sdn Bhd. As at the LPD we have: <ul style="list-style-type: none"> (i) issued purchase orders for the main components of the first Playing Card Manufacturing Line whereas the remaining components shall be procured progressively based on our project timeline; and (ii) paid a deposit of RM10.54 million for the main components which was funded via our internally generated funds and bank borrowings. <p>The main components comprise two primary printing machines of the first Playing Card Manufacturing Line.</p> 2. The first Playing Card Manufacturing Line will be housed at our Group's No. 25 and No. 27 Property in Selangor. 3. Our Group will also set up a team of 44 production floor personnel with experience within the printing industry for this new operation to carry out the manufacturing process for playing cards including sealing them in security boxes and handing of used playing cards. The production floor personnel will be required to have experience and skills relating to printing operations. In addition, they will also undergo training provided by the Playing Card Manufacturing Line supplier for the manufacturing operation.

4. DETAILS OF OUR IPO

Phase	Brief description
	4. The cost for setting up the first manufacturing line and ancillary machines in Malaysia will be funded through internally generated funds and/or bank borrowings.
Phase 2 (4th quarter of 2025 to 1st quarter of 2027)	<ol style="list-style-type: none"> 1. To place orders for the second Playing Card Manufacturing Line with the same supplier for the first Playing Card Manufacturing. 2. Our Group intends to use a third-party subcontractor in Macao to carry out the manufacturing process for playing cards including sealing them in security boxes and handing of used playing cards. As such, our Group will consign the manufacturing line and place it at the subcontractor premises in Macao. 3. The subcontractor will carry out the playing cards' production process and used card handling process based on the specifications of our Group while the relevant input materials will be supplied by our Group. 4. The subcontractor will be responsible for providing all the necessary personnel to carry out the manufacturing process, and premises to house the second Playing Card Manufacturing Line in Macao and store input materials, work-in-progress materials and finished goods. Furthermore, the subcontractor will also be responsible for the renovation works of the premise, utilities, production costs, obtaining relevant insurance, and licenses and approvals to operate the second Playing Card Manufacturing Line, security of the premises and carrying out any relevant renovation on the premises to carry out the manufacturing process for playing cards based on our operational needs and requirements. Save for the input materials which we will provide to the subcontractor, the subcontractor will handle the manufacturing process from end-to-end. 5. We intend to utilise approximately RM45.00 million, representing approximately 45.42% of the gross proceeds to be raised from our Public Issue to purchase, deliver, install and commission the second Playing Card Manufacturing Line in Macao.

Please refer to Section 7.19.2 of this Prospectus for further details on our future plans in regards to the new business in providing total solution in supplying and handling of playing cards in sealed security boxes.

The new business in providing total solution in supplying and handling of playing cards in sealed security boxes will be carried out by our subsidiary, namely Mega Pandai. Mega Pandai will be responsible for overseeing (i) the operation of the first Playing Card Manufacturing Line in Malaysia and (ii) the second Playing Card Manufacturing Line to be operated by the subcontractor in Macao.

Our Group intends to use a subcontractor to operate the second Playing Card Manufacturing Line in Macao as it does not have prior direct experience of manufacturing in Macao, and as the subcontractor is familiar with local authorities in Macao and have resources to operate in Macao.

4. DETAILS OF OUR IPO

On 18 January 2024, our Group entered into a memorandum of understanding with a subcontractor, namely V.S. International Group Limited ((i) a company incorporated in Cayman Islands and listed on Hong Kong Stock Exchange; and (ii) a subsidiary of V.S. Industry Berhad, a public listed company listed on the Main Market of Bursa Securities) for the production of playing cards and handling of used cards in Macao. V.S International Group Limited and its subsidiaries are principally engaged in the manufacturing and sale of plastic moulded products and parts, assembling of electronic products, and moulds designs and fabrication. The expected responsibilities of our Group and the subcontractor for our new business venture in Macao are set out below:

No.	Responsibilities of our Group	Responsibilities of the subcontractor
(a)	Consign the second Playing Card Manufacturing Line	Identify and provide premises to house the second Playing Card Manufacturing Line
(b)	Purchase the second Playing Card Manufacturing Line (which includes delivery, installation and commissioning of the second Playing Card Manufacturing Line by the supplier)	Carry out renovation on the premises to carry out the manufacturing process for playing cards based on our Group's requirements and needs
(c)	Purchase and supply of input materials (including bearing logistics costs)	Provide necessary personnel to carry out the playing cards' manufacturing process and premises to store input materials and finished goods
(d)	Invoicing to the end customers in Macao and collection of revenue to be undertaken by Mega Pandai in Malaysia	Bear costs related to maintenance, utilities, overheads, production costs and insurance, and to invoice our Group a contract fee ⁽¹⁾
(e)	-	Obtain all relevant licenses and approvals for the operations in Macao

Note:

- (1) The amount of the contract fee to be charged by the subcontractor is currently being negotiated. However, the contract fee is expected to be chargeable on per deck of casino cards manufactured and will be invoiced on a monthly basis.

We intend to enter into a definitive agreement with the subcontractor before the expiry of the memorandum of understanding, which is within six months from 18 January 2024, subject to any renewal or extension of the memorandum of understanding as may be agreed with the subcontractor. On 25 September 2024, we had entered into an addendum to the memorandum of understanding with the subcontractor to extend the initial term of the memorandum of understanding for a further six months from 17 June 2024. We intend to enter into a definitive agreement with the subcontractor by 1st quarter of 2025. We expect to place the purchase order with the same supplier in Malaysia for the second Playing Card Manufacturing Line to be housed in Macao by the 4th quarter of 2025, with expected delivery by the 4th quarter of 2026. Following the delivery, we plan to complete the installation and commissioning of the Playing Card Manufacturing Line at the subcontractor's premises in Macao by the 1st quarter of 2027.

4. DETAILS OF OUR IPO

We have carried out financial feasibility assessment for Phase 1 of the playing cards' business plan in Malaysia that arrived at a payback period of approximately four years to recover the original cost of investment. We expect our new business venture in Macao under Phase 2 to have a relatively similar payback period. This is because the Playing Card Manufacturing Line to be purchased for our new business venture in Macao is the same as the Playing Card Manufacturing Line to be purchased for the Malaysian playing cards' business plan under Phase 1. We intend to improve the execution of our new business venture in Macao by relying on our experience of manufacturing and handling of playing cards in Malaysia under Phase 1 which is expected to commence operations in 2nd quarter of 2026.

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

(2) Defray listing expenses

The following estimated expenses and fees incidental to our Listing amounting to approximately RM11.10 million or approximately 11.20% shall be borne by our Company:

Expenses	RM'000	%
Professional fees ⁽¹⁾	7,116	64.14
Underwriting commission, brokerage fee and placement fee ⁽²⁾	2,972	26.79
Other fees and expenses relating to our Listing and contingencies ⁽³⁾	500	4.50
Regulatory fees	507	4.57
Total ⁽⁴⁾	11,095	100.00

Notes:

- (1) This includes advisory and/or professional fees for, among others, our Principal Adviser, legal advisers, Reporting Accountants and IMR.
- (2) Please refer to Section 4.6 of this Prospectus for further details on the computation of the underwriting commission, brokerage fee and placement fee.
- (3) This includes any other incidental charges or related expenses in connection with our IPO, such as printing and advertising fee, roadshow expenses, translation fees, public or investor relation consultant and funds reserved for contingency purposes.
- (4) A portion of the listing expenses will be reimbursed by the shareholders of Mega Fortris Global pursuant to the agreement entered into between our Company and Mega Fortris Capital, Ng Brothers Estate, OCBC and LOCAH on 27 August 2024. Any reimbursed amount will be used to fund capital expenditure relating to the establishment of the New UK Factory. Please refer to Note 12 of the Accountants' Report in Section 13 and Section 15.6(vii) of this Prospectus for further details.

If the actual listing expenses exceed the earmarked amount, the shortfall will be funded from internally generated funds and/or bank borrowings. However, if the actual listing expenses are lower than the earmarked amount, the surplus will be used to fund capital expenditure relating to the establishment of the New UK Factory.

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Pending the eventual utilisation of the proceeds from our Public Issue for the above intended purposes, we intend to place the proceeds raised (including accrued interest, if any) or the balance thereof in interest-bearing accounts with licenced financial institutions in Malaysia and/or money market deposit instruments / funds.

Our Company will not receive any proceeds from the Offer for Sale. Based on our IPO Price of RM0.67 per Offer Share, the gross proceeds from the Offer for Sale of up to approximately RM99.07 million will accrue entirely to the Selling Shareholder. The Selling Shareholder shall bear the entire incidental expenses and fees relating to the Offer for Sale, the aggregate of which is estimated to be up to approximately RM1.98 million.

4.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.6.1 Brokerage Fee

We will pay the brokerage fee in respect of our Issue Shares under the Retail Offering at the rate of 1.00% (exclusive of any applicable tax) of our IPO Price for all successful applications 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 and/or the Issuing House.

Our Joint Placement Agents are entitled to charge brokerage commission of up to 1.00% to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission will be paid by successful applicants under the Institutional Offering and will not be borne by us or the Selling Shareholder.

4.6.2 Underwriting Commission

As stipulated in the Underwriting Agreement, our Joint Underwriters have agreed to underwrite 67,600,000 Issue Shares under the Retail Offering ("**Underwritten Shares**") for an underwriting commission of 2.00% (exclusive of applicable tax) of the total value of the Underwritten Shares.

4.6.3 Placement Fee

Our Joint Placement Agents have agreed to place out 80,273,000 Issue Shares to institutional and selected investors, and identified Bumiputera investors approved by the MITI, and 147,871,000 Offer Shares to institutional and selected investors, and identified Bumiputera investors approved by the MITI. We and the Selling Shareholder will pay a placement fee of 2.00% (exclusive of applicable tax) and may pay a discretionary incentive fee of up to 0.50% (exclusive of applicable tax) of the total value of Issue Shares successfully placed out by our Joint Placement Agents.

4.7 DETAILS OF UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENT

4.7.1 Underwriting

We had on 7 October 2024, entered into the Underwriting Agreement with our Joint Underwriters to underwrite the Underwritten Shares, subject to the clawback and reallocation provisions as set out in Section 4.1.4 of this Prospectus and upon the terms and subject to the conditions of the Underwriting Agreement.

Details of the underwriting commission are as set out in Section 4.6.2 of this Prospectus, while the salient terms of the Underwriting Agreement are as follows:

- (i) unless waived by our Joint Underwriters, the underwriting obligations of our Joint Underwriters are subject to certain conditions precedent which must be fulfilled or waived on or before the closing date of the Retail Offering as stated in this Prospectus or such later date as may be agreed in writing by our Joint Underwriters.

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- (ii) notwithstanding anything contained in the Underwriting Agreement, our Joint Underwriters may terminate the Underwriting Agreement and withdraw their respective underwriting commitment upon the occurrence of any of the following:
- (a) any of the warranties set out in the Underwriting Agreement are rendered untrue, inaccurate, incorrect or misleading in any respect or there is any breach by our Company of any of the undertakings made by our Company under the Underwriting Agreement in any respect, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of our Joint Underwriters within five Market Days or on such other day which the parties may mutually agree in writing, but in any event no later than the closing date for applications and payment for the Retail Offering Shares from the provision of a written notice to our Company, as the case may be, by our Joint Underwriters;
 - (b) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of our Joint Underwriters by reason of Force Majeure (as defined herein) which would have or can be expected to have, a Material Adverse Effect (as defined herein) or which would have or is reasonably likely to have the effect of making any obligation under this Agreement incapable of performance in accordance with its terms or if our Group and/or our Company sustains any material loss or interference with their and/or its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, in each case, that has had or could be expected to have a Material Adverse Effect.

“Material Adverse Effect” means any event, development or occurrence, or series of events, developments or occurrences, which, in our Joint Underwriters’ reasonable opinion, that 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, on any of the following:

1. the condition (financial or otherwise), contractual commitments, management, general affairs, business, assets, liquidity, liabilities, prospects, earnings, undertakings, shareholders’ equity, properties or results of operations of our Group, taken as a whole or our Company;
2. the ability of our Company or the Selling Shareholder to perform either of its obligations under or with respect to, or to consummate the transactions contemplated by, the Prospectus or the Underwriting Agreement, placement agreement and each lock-up agreement;
3. the ability of our Company or any of our subsidiary to conduct its business and to own or lease its assets and properties as described in this Prospectus; or
4. our IPO including but not limited to the success of our IPO or the distribution or the sale of our IPO Shares pursuant to our IPO.

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

1. war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of a hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;
2. riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military takeover or usurped power;

4. DETAILS OF OUR IPO

3. natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, or other acts of God; or
 4. any local, national or international occurrence or outbreak of disease, or pandemic (including any material worsening of the existing COVID-19 pandemic or endemic), epidemic, the imposition of lockdowns or similar measures to control the spread of any epidemic, any outbreak or material escalation of hostilities or national emergency, whether war has been declared or not, or insurrection or armed conflict or terrorist event (whether or not involving financial markets), the occurrence of any other calamity or crisis or emergency or any event or series of events in the nature of force majeure, or deterioration of any such condition;
- (c) our Company withholds any information from our Joint Underwriters, or there shall have occurred any government requisition or other events whatsoever, which would have or is likely to have a Material Adverse Effect;
- (d) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which would have or is likely to have a Material Adverse Effect, or would have or is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of our IPO Shares. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
1. on or after the date of the Underwriting Agreement; and
 2. prior to the last date and time for applications and payment for the Retail Offering Shares in accordance with this Prospectus and the Application Forms or any extended closing dates to be mutually agreed in writing by our Company and our Joint Underwriters,
- lower than 85% of the level of the 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 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (e) trading in shares or securities generally on Bursa Securities, the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange, the New York Stock Exchange, the Nasdaq or the London Stock Exchange plc has been restricted or suspended or minimum prices have been established on Bursa Securities, the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange, the New York Stock Exchange, the Nasdaq or the London Stock Exchange plc for three consecutive Market Days or more;
- (f) there shall have been announced or carried into force any new law or change in law in any jurisdiction, interpretation or application by any court or the relevant authorities which may: (i) have a Material Adverse Effect; or (ii) in our Joint Underwriters’ reasonable opinion, be likely to prejudice the success of our IPO or our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our IPO Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (g) our IPO is stopped or delayed by our Company or any relevant authorities for any reason whatsoever (unless such delay has been approved by our Joint Underwriters);
- (h) the closing date of our IPO does not occur by 30 October 2024 or such other extended date as may be agreed in writing by our Joint Underwriters;

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- (i) our Listing does not take place by 29 November 2024 or such other extended date as may be agreed in writing by our Joint Underwriters;
- (j) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of our directors or executive officers, which would have or is likely to have a Material Adverse Effect or in the sole opinion of our Joint Underwriters, make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;
- (k) any one of the Underwriting Agreement, placement agreement and each lock-up agreement (i) having been terminated or rescinded in accordance with its terms thereof; (ii) ceases to have any effect whatsoever, or (iii) is varied or supplemented upon its terms and such variation or supplementation would have or likely to have a Material Adverse Effect;
- (l) any of the resolutions or approvals referred to in Clause 4.1.3 and Clause 4.1.14 of the Underwriting Agreement respectively is revoked, withdrawn, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms which would have or is likely to have a Material Adverse Effect;
- (m) in the event our Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Joint Underwriters;
- (n) if the SC or any other relevant authority issues an order pursuant to Malaysian law such as to make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares;
- (o) any statements contained in this Prospectus and the application or forms for our IPO Shares under the Retail Offering accompanying this Prospectus ("**Offer Documents**") has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if any of the Offer Documents were to be issued at that time, constitute a material omission therefrom;
- (p) in our Joint Underwriters' reasonable opinion, there is a change or development in taxation in Malaysia or any of the markets set out in Section 7.3.3 of this Prospectus materially and adversely affecting our Company, our Group, our IPO Shares or the transfers thereof or an announcement of such change or development;
- (q) a banking moratorium has been declared by the relevant authorities in Malaysia, Singapore, Hong Kong, the USA or the UK, or a disruption of commercial banking activities or securities settlement or clearance services has occurred in Malaysia, Singapore, Hong Kong, the USA or the UK;
- (r) there is any breach or failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement; or
- (s) any of the conditions set out in Clause 4.1 in the Underwriting Agreement are not duly satisfied by the closing date or extended closing date of the Retail Offering.

4.7.2 Placement

We and the Selling Shareholder expect to enter into the placement agreement with our Joint Placement Agents in relation to the placement of up to 228,144,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.1.4 of this Prospectus, respectively. We and the Selling Shareholder will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify our Joint Placement Agents against certain liabilities in connection with our IPO.

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4.7.3 Lock-up arrangements

- (i) We have agreed that for a period beginning on and including the date of the lock-up agreement and ending on and including the date that is six months from the date of our Listing ("**Lock-Up Period**"), we will not, without the prior written consent of our Joint Placement Agents, directly or indirectly, conditionally or unconditionally:
- (a) issue, allot, offer, pledge, sell, contract to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over or otherwise transfer or dispose of any Shares (or any securities convertible into or exercisable or exchangeable for Shares or are substantially similar to the Shares) including any Shares held in treasury that are now owned or hereafter acquired by our Company;
 - (b) enter into any swap, hedge or derivative or any other arrangement, agreement or transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequence of ownership of the Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities that represent the right to receive or are substantially similar to the Shares, whether any such swap or transaction described in Section 4.7.3(i)(a) or Section 4.7.3(i)(b) of this Prospectus is to be settled by delivery of any Shares or such other securities, in cash or otherwise, provided that the foregoing shall not apply to any Shares being issued, offered and sold by our Company in connection with our IPO;
 - (c) deposit any Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities;
 - (d) do or announce any intention to do any of the above or an offering or sale of any Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof));
 - (e) take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
 - (f) enter into or effect any transaction with the same economic effect as any transactions described in Section 4.7.3(i) of this Prospectus.

For the avoidance of doubt, the restrictions set forth above shall not apply to (1) the issuance, offer and sale of any Shares by our Company pursuant to our IPO, or (2) the offer, transfer and sale of any Shares by the Selling Shareholder pursuant to our IPO.

- (ii) Mega Fortris Global has agreed that during the Lock-Up Period, it will not, without the prior written consent of our Joint Placement Agents, directly or indirectly, conditionally or unconditionally:
- (a) offer, pledge, mortgage, charge, sell, contract to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of any Shares (or any securities convertible into or exercisable or exchangeable for Shares or that are substantially similar to the Shares) whether now owned or acquired by Mega Fortris Global between the date hereof and the date of Listing (the "**Lock-Up Shares**");

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- (b) enter into any swap, hedge or derivative or any other arrangement, agreement or transaction that transfers, in whole or in part, any of the economic consequence of ownership of the Lock-Up Shares or any securities convertible into or exercisable or exchangeable for any Lock-Up Shares or any securities that represent the right to receive or are substantially similar to any Lock-Up Shares, whether any such swap or transaction described in Section 4.7.3(ii)(a) or (b) of this Prospectus is to be settled by delivery of any Lock-Up Shares or such other securities, in cash or otherwise, provided that the foregoing shall not apply to any Shares being offered and sold by Mega Fortris Global (as a selling shareholder) in connection with our IPO;
- (c) deposit any Lock-Up Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, any Lock-Up Shares) in any depository receipt facilities;
- (d) do or announce any intention to do any of the above or an offering or sale of any Lock-Up Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, any Lock-Up Shares (or any interest therein or in respect thereof));
- (e) take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
- (f) enter into or effect any transaction with the same economic effect as any transactions described in Section 4.7.3(ii) of this Prospectus.

In addition, Mega Fortris Global agreed that, for the Lock-Up Period, it will not, without the prior written consent of our Joint Placement Agents, make any demand for or exercise any right with respect to, the registration of any Shares subject to the lock-up pursuant hereto or any security convertible into or exercisable or exchangeable for the Shares.

- (iii) Mega Fortris Capital and Ng Brothers Estate, as the direct shareholders of Mega Fortris Global, severally and not jointly, have agreed that during the Lock-Up Period, they will not, without the prior written consent of our Joint Placement Agents, directly or indirectly, conditionally or unconditionally:
 - (a) offer, pledge, mortgage, charge, sell, contract to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of any of their respective shareholdings in Mega Fortris Global ("**MFG Shares**") (or any securities convertible into or exercisable or exchangeable for MFG Shares or that are substantially similar to the MFG Shares) whether now owned or acquired by Mega Fortris Capital or Ng Brothers Estate between the date hereof and the date of Listing (the "**Lock-Up MFG Shares**");
 - (b) enter into any swap, hedge or derivative or any other arrangement, agreement or transaction that transfers, in whole or in part, any of the economic consequence of ownership of the Lock-Up MFG Shares or any securities convertible into or exercisable or exchangeable for any Lock-Up MFG Shares or any securities that represent the right to receive or are substantially similar to any Lock-Up MFG Shares, whether any such swap or transaction described in Section 4.7.3(iii)(a) and (b) of this Prospectus is to be settled by delivery of any Lock-Up MFG Shares or such other securities, in cash or otherwise;
 - (c) deposit any Lock-Up MFG Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, any Lock-Up MFG Shares) in any depository receipt facilities;

4. DETAILS OF OUR IPO

- (d) do or announce any intention to do any of the above or an offering or sale of any Lock-Up MFG Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, any Lock-Up MFG Shares (or any interest therein or in respect thereof)); or
- (e) take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
- (f) enter into or effect any transaction with the same economic effect as any transactions described in Section 4.7.3(iii) of this Prospectus.

In addition, Mega Fortris Capital, Ng Brothers Estate will and shall procure that, without the prior written consent of our Joint Placement Agents, Mega Fortris Global shall not issue new shares or otherwise dilute the shareholding of Mega Fortris Global's shareholders.

- (iv) Dato' Nick Ng and Datuk Adrian Ng, as the shareholders of Mega Fortris Capital and Ng Brothers Estate, have agreed that during the Lock-Up Period, it will not, without the prior written consent of our Joint Placement Agents, directly or indirectly, conditionally or unconditionally:
 - (a) offer, pledge, mortgage, charge, sell, contract to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of any of their respective shares in Ng Brothers Estate ("**Ng Brothers Shares**") (or any securities convertible into or exercisable or exchangeable for Ng Brothers Shares or that are substantially similar to the Ng Brothers Shares) whether now owned or acquired by such Ng Brothers between the date hereof and the date of Listing (the "**Lock-Up Ng Brothers Shares**");
 - (b) enter into any swap, hedge or derivative or any other arrangement, agreement or transaction that transfers, in whole or in part, any of the economic consequence of ownership of the Lock-Up Ng Brothers Shares or any securities convertible into or exercisable or exchangeable for any Lock-Up Ng Brothers Shares or any securities that represent the right to receive or are substantially similar to any Lock-Up Ng Brothers Shares, whether any such swap or transaction described in Section 4.7.3(iv)(a) or (b) of this Prospectus is to be settled by delivery of any Lock-Up Ng Brothers Shares or such other securities, in cash or otherwise;
 - (c) deposit any Lock-Up Ng Brothers Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, any Lock-Up Ng Brothers Shares) in any depository receipt facilities;
 - (d) do or announce any intention to do any of the above or an offering or sale of any Lock-Up Ng Brothers Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, any Lock-Up Ng Brothers Shares (or any interest therein or in respect thereof));
 - (e) take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of the Shares; or
 - (f) enter into or effect any transaction with the same economic effect as any transactions described in Section 4.7.3(iv) of this Prospectus.

In addition, Dato' Nick Ng and Datuk Adrian Ng, will and shall procure that, without the prior written consent of our Joint Placement Agents, Mega Fortris Capital and Ng Brothers Estate shall not issue new shares or otherwise dilute the shareholdings of Dato' Nick Ng and Datuk Adrian Ng in Mega Fortris Capital and Ng Brothers Estate.

4. DETAILS OF OUR IPO

- (v) LOCAH and OCBC as the direct shareholders of Mega Fortris Global, severally and not jointly, have agreed that during the Lock-Up Period, they will not, without the prior written consent of our Joint Placement Agents, sell, transfer or assign any of their respective shareholdings in Mega Fortris Global.

For the avoidance of doubt, the restrictions set forth in Sections 4.7.3(ii) and 4.7.3(iii) above shall not apply to the offer, transfer and sale of any Shares by Mega Fortris Global pursuant to our IPO, provided that the prior approval of the SC and Bursa Securities is obtained and the transferee agrees in writing to be bound by the restrictions set forth in the lock-up agreement for the remainder of the Lock-Up Period.

4.8 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon 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 based on the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to the 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 our 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 fees of RM10 payable for each transfer not transacted on the market.

Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

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 market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place 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 our IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership) before the commencement of trading on Bursa Securities.

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

5.1 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of our Promoters and substantial shareholders

Details of our Promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

Name	As at the LPD and before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Promoters and substantial shareholders								
Dato' Nick Ng	-	-	697,099,480 ⁽⁴⁾	100.00	-	-	549,228,480 ⁽⁴⁾	65.00
Datuk Adrian Ng	-	-	697,099,480 ⁽⁴⁾	100.00	-	-	549,228,480 ⁽⁴⁾	65.00
Mega Fortris Capital ⁽³⁾⁽⁸⁾	-	-	697,099,480 ⁽⁵⁾⁽⁶⁾	100.00	-	-	549,228,480 ⁽⁵⁾⁽⁶⁾	65.00
Ng Brothers Estate ⁽³⁾⁽⁹⁾	-	-	697,099,480 ⁽⁵⁾⁽⁶⁾	100.00	-	-	549,228,480 ⁽⁵⁾⁽⁶⁾	65.00
Mega Fortris Global ⁽¹⁰⁾	697,099,480	100.00	-	-	549,228,480	65.00	-	-
Substantial shareholders								
OCBC ⁽¹¹⁾	-	-	697,099,480 ⁽⁵⁾⁽⁷⁾	100.00	-	-	549,228,480 ⁽⁵⁾⁽⁷⁾	65.00
LOCAH ⁽¹²⁾	-	-	697,099,480 ⁽⁵⁾⁽⁷⁾	100.00	-	-	549,228,480 ⁽⁵⁾⁽⁷⁾	65.00

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

Notes:

- (1) Based on the total number of 697,099,480 Shares as at the LPD and before our IPO.
- (2) Based on the enlarged total number of 844,972,480 Shares after our IPO.
- (3) Please refer to Section 2.2 of this Prospectus for details of pledges over shares of Mega Fortris Capital and Ng Brothers Estate in Mega Fortris Global in favour of the financial institutions.
- (4) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate and Mega Fortris Global.
- (5) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Global.
- (6) Mega Fortris Capital and Ng Brothers Estate are associates of each other by virtue of Section 8 of the Act. Accordingly, Mega Fortris Capital and Ng Brothers Estate are deemed to be interested in our Shares as they collectively hold 74.01% of the shares in Mega Fortris Global.
- (7) LOCAH and OCBC are associates of each other by virtue of Section 8 of the Act. Accordingly, LOCAH and OCBC are deemed to be interested in our Shares as they collectively hold 25.99% of the shares in Mega Fortris Global.
- (8) Please refer to Section 5.1.2(iii) of this Prospectus for further details on the ultimate beneficial owners of Mega Fortris Capital.
- (9) Please refer to Section 5.1.2(iv) of this Prospectus for further details on the ultimate beneficial owners of Ng Brothers Estate.
- (10) Please refer to Section 5.1.2(v) of this Prospectus for further details on the ultimate beneficial owners of Mega Fortris Global.
- (11) Please refer to Section 5.1.2(vii) of this Prospectus for further details on the ultimate beneficial owners of OCBC.
- (12) Please refer to Section 5.1.2(vi) of this Prospectus for further details on the ultimate beneficial owners of LOCAH.

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

Save as disclosed above, there are no 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, our Promoters and our substantial shareholders, with any third parties, which may at a subsequent date result in the change in control of our Company.

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

5.1.2 Profiles of our Promoters and substantial shareholders

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

(i) **Dato' Nick Ng**

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

Dato' Nick Ng, a Malaysian aged 74, is our Promoter, substantial shareholder and Non-Independent Non-Executive Chairman. He was appointed to our Board on 20 June 2001. He is currently responsible to lead our Board in the adoption of good corporate governance practices and steer our Board to perform its responsibilities to enhance the effectiveness of our Board.

He attended Georgetown Secondary School, Pulau Pinang for his secondary education until 1968. Upon completing his secondary education, he was on a three-year sabbatical from 1969 to 1972 to travel abroad and pursue his personal interests.

Dato' Nick Ng started his career in 1973 to join his family business, Soon Motors in Pulau Pinang, a sole proprietorship principally involved in operating an automobile workshop where he assisted in repairing and servicing automobiles up to 1978. In 1979, he started his own business and set up Fire Protection Services, a sole proprietorship principally involved in the selling and services of fire-fighting equipment.

In 1980, he set up Windex Trading Company, a sole proprietorship to venture into the import, export, and trading of fruits. In 1982, he formed two partnerships, namely The Card International and The Card Travels & Tours, to engage in general services including among others, reservation of air tickets and organisation of tours. In 1985, he returned to Soon Motors at the request of his father to assist with the family business. He left Soon Motors in 1992 and took a 6-year career break to pursue his personal interests in, amongst others, feng shui consultancy.

In 1998, he joined Fortris Malaysia as an adviser and consultant at the request of his brother, Datuk Adrian Ng, to venture collectively into the security seal business. In 2001, he became our Director upon the completion of the Asset Transfer before he was promoted to be our Executive Chairman in September 2014. He was primarily responsible for our Group's business expansion and revenue growth by expanding our Group's range of security seal products and was also responsible for managing our Group's public relations.

In August 2023, he took a step back from his executive role and was re-designated as our Non-Independent Non-Executive Chairman where he has assumed his current responsibilities.

In his personal capacity, his notable achievements include being conferred Datoship by the Sultan of Pahang in October 2007, being awarded Malaysia Cyber Security Awards' Cyber Security Professional of the Year in 2016 and Binary University Malaysia's Entrepreneur Icon of Malaysia in 2018. He was also awarded InPenang International Outstanding Achievers Award, in recognition of his outstanding achievements and contributions to society in 2021.

Currently, he is also a director and shareholder of several private limited companies as disclosed in Section 5.2.3 of this Prospectus.

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

(ii) Datuk Adrian Ng

Promoter, substantial shareholder and Group Managing Director cum Group Chief Executive Officer

Datuk Adrian Ng, a Malaysian aged 59, is our Promoter, substantial shareholder and Group Managing Director cum Group Chief Executive Officer. He was appointed to our Board on 20 June 2001, and is currently responsible for the formulation of the overall direction and business development strategies of our Group. He is also a member of our Sustainability and Risk Management Committee.

In 1984, he enrolled on the course of Bachelor of Business Economics at the College of Wooster, United States of America. In 1986, he applied for a leave of absence from the College of Wooster to return to Malaysia and was unable to complete the course due to financial constraint. He obtained a European Master of Business Administration from the Paris Graduate School of Management in May 2004.

Datuk Adrian Ng started his career in 1986 with his family business, Soon Motors at Pulau Pinang, a sole proprietorship principally involved in operating an automobile workshop where he assisted in repairing and servicing automobiles.

He left Soon Motors to join Hong Leong Finance Berhad in May 1991 as a management trainee based in Kuala Lumpur, where he assisted, among others, in the assessment of bridging loans for property development projects. He left Hong Leong Finance Berhad in July 1991 to join Abric PSP Sdn Bhd, a company principally involved in manufacturing of security seal products as a marketing executive, and was later promoted to the position of marketing manager in July 1992 where he was in charge of sales and marketing of security seal products in domestic market.

He resigned from Abric PSP Sdn Bhd in January 1994 to travel overseas to evaluate business and market opportunities in the security seal industry, and to explore the economic benefits of integrating intellectual properties within the security seal products. In 1995, he was invited and became a director and shareholder in Fortris Malaysia to market and carry out the trading of beverage products together with his sister-in-law, Datin Chris Low Lai Peng and his brother, Ng Meng Tatt.

In 1996, he proposed for Fortris Malaysia to venture into the security seal business, and the trading of security seal products commenced in the same year. Subsequently, the company progressed to the design and manufacturing of its own security seals for sale.

In 2000, he spearheaded the business cooperation between Fortris Malaysia and Bloxwich Security Products Ltd, a United Kingdom subsidiary of Mega First Corporation Berhad specialising in manufacturing and trading of cable security seals, to jointly market their respective security seal products. Subsequently, he led the merger of Fortris Malaysia's business operation with Bloxwich Security Products Sdn Bhd (later renamed to Mega Fortris) under the Asset Transfer where Fortris Malaysia transferred and disposed of all its businesses and assets to Mega Fortris before it eventually ceased business.

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

Following the Asset Transfer, Datuk Adrian Ng was appointed as the marketing director of our Company in 2000. He was also seconded to Bloxwich Engineering Ltd (“**Bloxwich Engineering**”) in United Kingdom from December 2000 to 2003 to assist in the expansion and growth of the company’s United Kingdom and Europe markets. During his tenure at Bloxwich Engineering, he was also responsible for streamlining Bloxwich Engineering’s security seal’s business operation with Mega Fortris (UK) (both Bloxwich Engineering and our Company were subsidiaries of Mega First Corporation Berhad with Mega Fortris (UK) being our subsidiary). In 2004, he returned to Malaysia and continued to serve as a marketing director of our Company, where he was responsible for the development of marketing strategies and global sales network of our Group, managing product development and key client relationships, and identifying and developing new business opportunities.

He was promoted to our Group Chief Executive Officer in September 2014 and assumed additional responsibility of overseeing the operations of our Group’s foreign subsidiaries. He was re-designated as our Group Managing Director Cum Group Chief Executive Officer in October 2023, where he has assumed his current responsibilities.

In his personal capacity, his notable achievements include being awarded The Star’s Outstanding Business Award for Male Entrepreneur of the Year in 2016, Ernst & Young’s Malaysia Master Entrepreneur of the Year in 2017 and being conferred Datukship by the Governor of Melaka in August 2023.

Currently, he is also a director and shareholder of several private limited companies as disclosed in Section 5.2.3 of this Prospectus.

(iii) Mega Fortris Capital
Promoter and substantial shareholder

Mega Fortris Capital was incorporated in the British Virgin Islands under the British Virgin Islands Business Companies Act 2004 on 9 March 2018 as a British Virgin Islands business company and is deemed registered under the British Virgin Islands Business Companies Act 2004. The registered office address of Mega Fortris Capital is Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

The principal activity of Mega Fortris Capital is investment holding.

As at the LPD:

- (a) the issued share capital of Mega Fortris Capital is SGD2,000,000.00 comprising 26,620,070 ordinary shares;
- (b) the directors of Mega Fortris Capital as at the LPD are Dato’ Nick Ng and Datuk Adrian Ng; and

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

- (c) the shareholders of Mega Fortris Capital and their respective direct and indirect shareholdings in Mega Fortris Capital are as follows:

Shareholder	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Nick Ng	18,420,397	69.20	-	-
Datuk Adrian Ng	6,655,018	25.00	-	-
Ole Fast	898,896	3.38	-	-
Jor-Hol International ApS ⁽¹⁾	645,759	2.42	-	-
Mette Jordon Holmelund	-	-	645,759 ⁽²⁾	2.42
Claus Vaupell Holmelund	-	-	645,759 ⁽²⁾	2.42

Notes:

- (1) Jor-Hol International ApS is owned by Mette Jordon Holmelund (50.00%) and Claus Vaupell Holmelund (50.00%). The principal activity of Jor-Hor International ApS is national and international trade, and investment holding of companies and real estate.
- (2) Deemed interested by virtue of Section 8 of the Act held through Jor-Hol International ApS.

(iv) Ng Brothers Estate

Promoter and substantial shareholder

Ng Brothers Estate was incorporated in Malaysia on 28 August 2023 as a private company limited by shares. The registered office address of Ng Brothers Estate is No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal activity of Ng Brothers Estate is as an investment holding in real estates and securities (listed and/or non-listed).

As at the LPD:

- (a) the issued share capital of Ng Brothers Estate is RM10,000,100.00 comprising 100 ordinary shares and 10,000,000 redeemable preference shares ("RPS").
- (b) the directors of Ng Brothers Estate are Dato' Nick Ng and Datuk Adrian Ng; and
- (c) the shareholders of Ng Brothers Estate and their respective direct and indirect shareholdings in Ng Brothers Estate are as follows:

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

1. ordinary shareholders

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Nick Ng	50	50.00	-	-
Datuk Adrian Ng	50	50.00	-	-

2. RPS holders

	Direct		Indirect	
	No. of RPS	%	No. of RPS	%
Chow Cheng Juen	6,000,000	60.00	-	-
Chow Choon Futt	2,000,000	20.00	-	-
Ho Phon Guan	1,000,000	10.00	-	-
Low Ai Lee	1,000,000	10.00	-	-

On 10 January 2024, Ng Brothers Estate had completed its acquisition of the entire 14.78% equity interest held by EDBI in Mega Fortris Global for a purchase consideration of RM75,891,075.61, which was funded via a combination of bank borrowings and part of the proceeds raised from the issuance of RPS by Ng Brothers Estate (approximately RM5.90 million out of the total of RM10.00 million raised from RPS holders).

The terms of RPS include that the RPS holders cannot transfer, sell, assign, or otherwise dispose of the RPS except in the following event:

- (i) redemption of the RPS if our IPO does not materialise for whatsoever reason within a period of two years commencing from 3 January 2024 (“**Tenure**”) or for another extended term not exceeding three years from the expiry of the Tenure at the RPS holder’s option; or
- (ii) exchange of the RPS with our Shares, in the following manner:
 - (a) the RPS holders and Dato’ Nick Ng and Datuk Adrian Ng will only be able to exchange the RPS with our Shares after the period of six months from the moratorium period;
 - (b) the subscription amount of RPS of RM10.0 million is exercisable to an equity interest of 2.78% in our Company, calculated based on the discounted exchange price of the Company of RM360.0 million computed in year 2023; and
 - (c) further, RPS holders may also be paid in cash if (a) they opted for a cash option; or (b) Ng Brothers Estate is unable to effect the exchange of our Shares. The cash consideration is to be calculated based on our share price following the expiry of the moratorium period.

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

If the RPS holders decide to exchange all of their RPS into our Shares after the moratorium period, the maximum equity interest that may be held by them in our Company is only 2.78%. Further, there will be no dilution to your shareholdings in our Company as the share exchange does not entail the issuance of new Shares by us to the RPS holders, and the cash consideration is not payable by us.

(v) Mega Fortris Global

Promoter and substantial shareholder

Mega Fortris Global was incorporated in Singapore on 21 September 2018 as a private company limited by shares. The registered office address of Mega Fortris Global is 16 Collyer Quay, #17-00, Collyer Quay Centre, Singapore 049318.

The principal activity of Mega Fortris Global is investment holding including activities of head and regional offices, centralised administrative offices and subsidiary management offices.

As at the LPD:

- (a) the issued share capital of Mega Fortris Global is SGD25,800,002.00 comprising 33,799,500 ordinary shares;
- (b) the directors of Mega Fortris Global are Dato' Nick Ng, Datuk Adrian Ng and Chua Sia Hong; and
- (c) the shareholders of Mega Fortris Global and their respective direct and indirect shareholdings in Mega Fortris Global are as follows:

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Nick Ng	-	-	25,013,891 ⁽¹⁾	74.01
Datuk Adrian Ng	-	-	25,013,891 ⁽¹⁾	74.01
Mega Fortris Capital	20,018,891	59.23	-	-
LOCAH	5,590,842	16.54	-	-
OCBC	3,194,767	9.45	-	-
Ng Brothers Estate	4,995,000	14.78	-	-

Note:

- (1) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital and Ng Brothers Estate.

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

(vi) LOCAH Substantial shareholder

LOCAH was incorporated in Singapore on 23 October 2014 as a private company limited by shares. The principal activity of LOCAH is investment holding.

As at the LPD:

- (a) the issued share capital of LOCAH is:
1. SGD5,121,438.00 comprising 5,121,438 ordinary shares;
 2. SGD31,440,501.00 comprising 31,440,501.00 preference shares; and
 3. USD47,785,893.00 comprising 47,785,893.00 preference shares;
- (b) the directors of LOCAH are Teo Joo Wah, Daniel Kwan Chieu Bock, David Cheng Chi-Jian and Wong Khong Chung (alternate director to Teo Joo Wah); and
- (c) the substantial shareholders of LOCAH and their respective direct and indirect shareholdings in LOCAH are as follows:

1. ordinary shareholders

Name	Nationality / Place of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
LGCP	Singapore	5,121,438	100.00	-	-
LGIL	Singapore	-	-	5,121,438 ⁽¹⁾	100.00
Orient	Singapore	-	-	5,121,438 ⁽²⁾	100.00
GE	Singapore	-	-	5,121,438 ⁽²⁾⁽⁴⁾	100.00
OCBC	Singapore	-	-	5,121,438 ⁽³⁾⁽⁴⁾	100.00

2. preference shareholders (USD)

Name	Nationality / Place of incorporation	Direct		Indirect	
		No. of preference shares	%	No. of preference shares	%
LGCP	Singapore	47,785,893	100.00	-	-
LGIL	Singapore	-	-	47,785,893 ⁽¹⁾	100.00
Orient	Singapore	-	-	47,785,893 ⁽²⁾	100.00
GE	Singapore	-	-	47,785,893 ⁽²⁾⁽⁴⁾	100.00
OCBC	Singapore	-	-	47,785,893 ⁽³⁾⁽⁴⁾	100.00

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

3. preference shareholders (SGD)

Name	Nationality / Place of incorporation	Direct		Indirect	
		No. of preference shares	%	No. of preference shares	%
LGCP	Singapore	31,440,501	100.00	-	-
LGIL	Singapore	-	-	31,440,501 ⁽¹⁾	100.00
Orient	Singapore	-	-	31,440,501 ⁽²⁾	100.00
GE	Singapore	-	-	31,440,501 ⁽²⁾⁽⁴⁾	100.00
OCBC	Singapore	-	-	31,440,501 ⁽³⁾⁽⁴⁾	100.00

Notes:

- (1) Deemed interested by virtue of Section 8 of the Act held through LGCP.
- (2) Deemed interested by virtue of Section 8 of the Act held through LGCP and LGIL.
- (3) Deemed interested by virtue of Section 8 of the Act held through LGCP, LGIL, Orient and GE.
- (4) GE and OCBC are companies listed on the SGX.

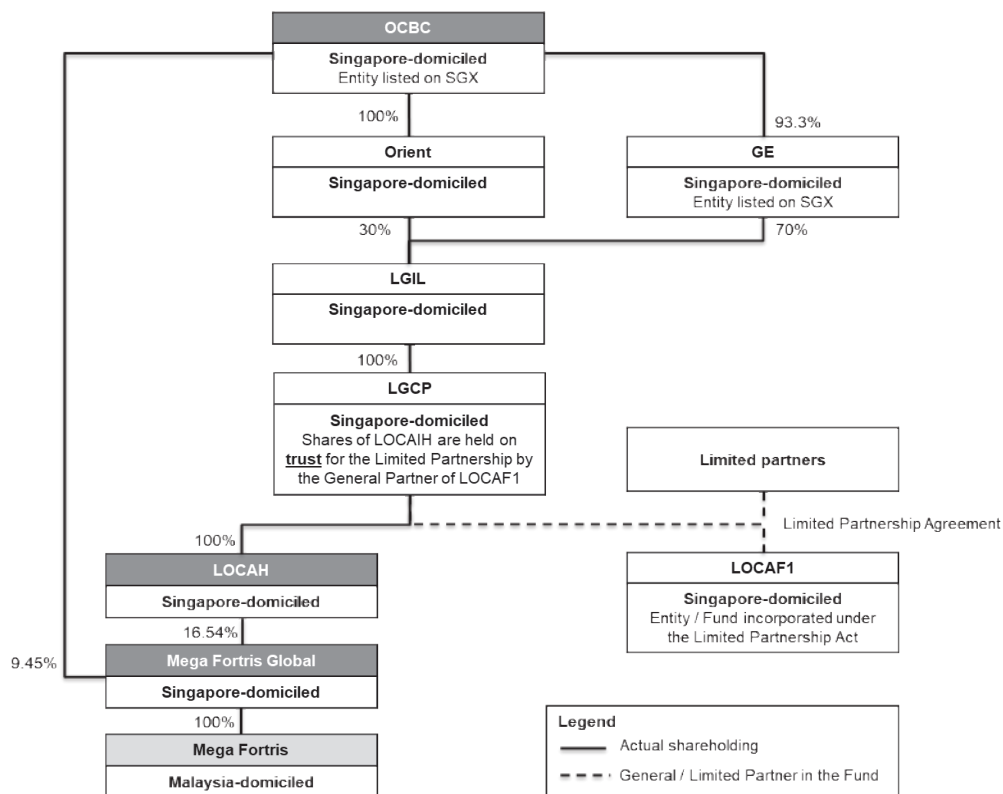
LOCAH is an asset holding vehicle, which is wholly-owned directly by LGCP as the general partner for and on behalf of LOCAF1, a private investment fund structured as a Singapore limited partnership. LGCP is a wholly-owned subsidiary of LGIL, which is in turn 30.00% owned by Orient and 70.00% owned by GE, both of which are subsidiaries of OCBC.

The shareholding in LOCAH is held by the general partner of LOCAF1, namely LGCP, in its capacity as a fiduciary for the limited partners. Under Section 5(3)(a) of the Singapore Companies Act ("**SCA**"), such shares are treated as not being held by the general partner. Therefore, LOCAH is not a subsidiary of the general partner *.

* Section 5(3)(a) of the SCA provides that in determining whether one corporation is a subsidiary of another corporation, any shares held or power exercisable by that other corporation in a fiduciary capacity is to be treated as not held or exercisable by it. Therefore, the shares held by LGCP in LOCAH are treated as not being held by LGCP.

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

A structure chart of the OCBC Entities is as follows:



The relationship between the OCBC Entities in respect of LOCAF1 is as follows:

- (a) the limited partners are third party investors which contribute to the investment capital of LOCAF1 independent of OCBC. OCBC is not a limited partner of LOCAF1;
- (b) LGCP is the general partner of LOCAF1 and holds shares in LOCAH as fiduciary for the limited partners of LOCAF1. Under Section 5(3)(a) of the Singapore Companies Act, such shares are treated as not being held by the general partner. Therefore, LOCAH is not a subsidiary of LGCP;
- (c) LGCP (as the general partner and on behalf of LOCAF1) had appointed LGIL as fund manager for LOCAF1's investments pursuant to the amended and restated fund management agreement dated 31 March 2015; and
- (d) LGIL, as the appointed fund manager for LOCAF1's investments had appointed OCBC (acting by its business unit, Mezzanine Capital Unit) as investment adviser for LOCAF1's investments pursuant to the investment advisory agreement dated 31 March 2015, as supplemented by the first supplemental agreement dated 16 October 2015 and second supplemental agreement dated 31 December 2019.

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

LOCAH's participation in our Company, via Mega Fortris Global, being one of the companies invested into by LOCAF1, is solely for financial investment purposes. LOCAH and the limited partners of LOCAF1 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. There is no single limited partner of LOCAF1 who has any control or ability to participate in the management of LOCAF1, LOCAH or ultimately LOCAF1's investee companies.

The limited partners of LOCAF1 do not have any family relationship with our Directors, Promoters, substantial shareholders and Key Senior Management. Our Directors, Promoters, substantial shareholders and Key Senior Management do not have any interest in the shares held by LOCAH as an asset holding vehicle which is wholly-owned directly by LGCP (as the general partner for and on behalf of LOCAF1).

(vii) OCBC

Substantial shareholder

OCBC was incorporated in Singapore on 31 October 1932 as a public company limited by shares. OCBC is the second largest financial services group in Southeast Asia by assets. OCBC and its group of companies offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

As at the LPD:

- (a) the issued share capital of OCBC is SGD18,461,952,134.85 comprising 4,514,941,829 ordinary shares. The shares of OCBC are listed on the SGX.
- (b) the directors of OCBC are Andrew Lee Kok Keng, Chong Chuan Neo, Chua Kim Chiu, Andrew Khoo Cheng Hoe, Lee Tih Shih, Christina Hon Kwee Fong, Seck Wai Kwong, Pramukti Surjaudaja, Tan Yen Yen and Helen Wong Pik Kuen.
- (c) the substantial shareholders of OCBC are as follows:

<u>Name</u>	<u>Nationality / Place of incorporation</u>	<u>Direct no. of shares</u>	<u>Indirect no. of shares</u>	<u>Total no. of shares</u>	<u>% ⁽¹⁾</u>
Lee Foundation	Singapore	189,310,098 ⁽²⁾	31,835,411 ⁽³⁾	221,145,509	5.13
Selat (Pte) Limited	Singapore	467,604,264	181,721,294 ⁽⁴⁾	649,325,558	14.44

Notes:

- (1) The percentage is calculated based on the total number of issued shares (excluding treasury shares) as at the date of the latest notification given by the relevant substantial shareholder under the Singapore's Securities and Futures Act 2001 ("SFA 2001").
- (2) Does not include shares acquired pursuant to OCBC's scrip dividend scheme in October 2019, October 2020 and June 2021 respectively. As the acquisitions did not result in any overall percentage level changes in Lee Foundation's total interest in OCBC, no notification of the changes was required to be given under the SFA 2001.

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

- (3) Represents Lee Foundation's deemed interest in (a) the 29,222,140 shares held by Lee Pineapple Company (Pte) Limited, and (b) the 2,613,271 shares held by Peninsula Plantations Sdn Bhd ("Peninsula Plantations"). Lee Foundation has, however, informed OCBC in writing that it has ceased to have a deemed interest in the shares held by Peninsula Plantations following a corporate restructuring exercise but that, as the cessation did not result in an overall percentage level change in Lee Foundation's total interest in OCBC, no notification of the change was required to be given under the SFA 2001.
- (4) Represents Selat (Pte) Ltd's deemed interest in the 181,721,294 shares held by Herald Investment Pte Ltd.

5.1.3 Proposed swap of LOCAH and OCBC's entire shareholdings in Mega Fortris Global with our Shares held by Mega Fortris Capital and Ng Brothers Estate via Mega Fortris Global

On 4 February 2024, Mega Fortris Capital and Ng Brothers Estate have signed a letter of undertaking with LOCAH and OCBC to swap LOCAH and OCBC entire shareholdings in Mega Fortris Global with our Shares held by Mega Fortris Global after the moratorium period ("**Proposed Share Swap**"), subject to receipt of written notice by LOCAH and OCBC to implement the Proposed Share Swap.

LOCAH and OCBC have requested for the Proposed Share Swap as they have expressed their intention to directly hold our Shares which are listed after our IPO, in consideration of LOCAH and OCBC's assistance in facilitating our IPO. The completion of the Proposed Share Swap shall take place on the date no later than 30 days from the date of expiry of the moratorium period or such later date as the parties may otherwise agree in writing.

The Proposed Share Swap shall be conducted based on the following formula:

$$A = \frac{B}{C} * D$$

Legend:

- A = number of our Shares to be received by OCBC and LOCAH
- B = number of existing shares held by OCBC and LOCAH in Mega Fortris Global
- C = number of outstanding shares in Mega Fortris Global
- D = number of our Shares held by Mega Fortris Global after Offer for Sale

As shown above, there will be no dilution to your shareholdings in our Company as the Proposed Share Swap does not entail the issuance of new Shares by us.

If LOCAH and OCBC decide to undertake the Proposed Share Swap and RPS holders exercise their option to exchange their RPS with our Shares (assuming Dato' Nick Ng and Datuk Adrian Ng effect Mega Fortris Global to undertake such exchange), the equity interest of Mega Fortris Global in our Company is expected to reduce from 65.00% (being its expected shareholding in our Company immediately upon our Listing) to 45.32%, with OCBC, LOCAH and RPS holders holding 6.15%, 10.75% and 2.78%, respectively, in our Company. OCBC and LOCAH do not have rights for board representations in our Group upon completion of the Proposed Share Swap.

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

5.1.4 Changes in our Promoters' and substantial shareholders' shareholding in our Company

The changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three years preceding the LPD are set out below:

Name	As at 30 June 2021				As at 30 June 2022			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Promoters and substantial shareholders								
Dato' Nick Ng	-	-	1,143,000 ⁽⁴⁾	100.00	-	-	1,143,000 ⁽⁴⁾	100.00
Datuk Adrian Ng	-	-	1,143,000 ⁽⁴⁾	100.00	-	-	1,143,000 ⁽⁴⁾	100.00
Mega Fortris Capital	-	-	1,143,000 ⁽⁵⁾	100.00	-	-	1,143,000 ⁽⁵⁾	100.00
Ng Brothers Estate	-	-	-	-	-	-	-	-
Mega Fortris Global	1,143,000	100.00	-	-	1,143,000	100.00	-	-
Substantial shareholders								
LOCAH	-	-	1,143,000 ⁽⁵⁾⁽⁶⁾	100.00	-	-	1,143,000 ⁽⁵⁾⁽⁶⁾	100.00
OCBC	-	-	1,143,000 ⁽⁵⁾⁽⁶⁾	100.00	-	-	1,143,000 ⁽⁵⁾⁽⁶⁾	100.00

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

Name	After the Acquisitions and as at 30 June 2023				(i) After Acquisitions of Mega Fortris' Security Bags' Minority Interests, Share Split, Share Consolidation and as at 30 June 2024, and (ii) the LPD *			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Promoters and substantial shareholders								
Dato' Nick Ng	-	-	34,854,974 ⁽⁴⁾	100.00	-	-	697,099,480 ⁽⁷⁾	100.00
Datuk Adrian Ng	-	-	34,854,974 ⁽⁴⁾	100.00	-	-	697,099,480 ⁽⁷⁾	100.00
Mega Fortris Capital	-	-	34,854,974 ⁽⁵⁾	100.00	-	-	697,099,480 ⁽⁵⁾⁽⁸⁾⁽⁹⁾	100.00
Ng Brothers Estate	-	-	-	-	-	-	697,099,480 ⁽⁵⁾⁽⁸⁾⁽⁹⁾	100.00
Mega Fortris Global	34,854,974	100.00	-	-	697,099,480	100.00	-	-
Substantial shareholders								
LOCAH	-	-	34,854,974 ⁽⁵⁾⁽⁶⁾	100.00	-	-	697,099,480 ⁽⁵⁾⁽⁶⁾	100.00
OCBC	-	-	34,854,974 ⁽⁵⁾⁽⁶⁾	100.00	-	-	697,099,480 ⁽⁵⁾⁽⁶⁾	100.00

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

Notes:

- * There has been no change in our Promoters' and substantial shareholders' shareholdings in our Company from 1 July 2024 up to the LPD.
- (1) Based on the total number of 1,143,000 Shares.
- (2) Based on the total number of 34,854,974 Shares after the Acquisitions and as at 30 June 2023.
- (3) Based on the total number of 697,099,480 Shares after the Acquisitions of Mega Fortris' Security Bags' Minority Interests, Share Split, Share Consolidation and as at LPD.
- (4) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital and Mega Fortris Global.
- (5) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Global.
- (6) LOCAH and OCBC are associates of each other by virtue of Section 8 of the Act. Accordingly, LOCAH and OCBC are deemed to be interested in our Shares as they collectively hold 25.99% of the shares in Mega Fortris Global.
- (7) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate and Mega Fortris Global.
- (8) Mega Fortris Capital and Ng Brothers Estate are associates of each other by virtue of Section 8 of the Act. Accordingly, Mega Fortris Capital and Ng Brothers Estate are deemed to be interested in our Shares as they collectively hold 74.01% of the shares in Mega Fortris Global.
- (9) Please refer to Section 2.2 of this Prospectus for details of pledges over shares of Mega Fortris Capital and Ng Brothers Estate in Mega Fortris Global in favour of the financial institutions.

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

Save for the issuance of our Shares as consideration pursuant to the Acquisitions and Acquisition of Mega Fortris Security Bag's Minority Interest as disclosed in Sections 6.1.2.1 and 6.1.2.2 of this Prospectus, and the aggregate remuneration and benefits in-kind paid and proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group 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 to our Promoters and substantial shareholders within the two years preceding the date of this Prospectus and up to the LPD.

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

5.2 BOARD OF DIRECTORS

5.2.1 Shareholdings of our Directors

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

Directors	Nationality	As at the LPD and before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Nick Ng	Malaysian	-	-	697,099,480 ⁽³⁾	100.00	-	-	549,228,480 ⁽³⁾	65.00
Datuk Adrian Ng	Malaysian	-	-	697,099,480 ⁽³⁾	100.00	-	-	549,228,480 ⁽³⁾	65.00
Ng Weng Choi	Malaysian	-	-	-	-	2,500,000	0.30	-	-
Shireen Iqbal Binti Mohamed Iqbal	Malaysian	-	-	-	-	500,000	0.06	-	-
Tan Kok Yang	Malaysian	-	-	-	-	500,000	0.06	-	-
Lew Siew Yen	Malaysian	-	-	-	-	500,000	0.06	-	-

Notes:

- (1) Based on the total number of 697,099,480 Shares as at the LPD and before our IPO.
- (2) Based on the enlarged total number of 844,972,480 Shares after our IPO and assuming full subscription of the IPO Shares reserved under the Pink Form Allocation.
- (3) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate and Mega Fortris Global.

Our Directors (save for Dato' Nick Ng and Datuk Adrian Ng) may subscribe for excess IPO Shares under Pink Form Allocation and Public Issue.

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

5.2.2 Profiles of Directors

Please refer to Section 5.1.2 of this Prospectus for the profiles of Dato' Nick Ng and Datuk Adrian Ng. The profiles of our other Directors are as follows:

(i) **Ng Weng Choi**
Executive Director

Ng Weng Choi, a Malaysian aged 69, was appointed as our Executive Director on 19 September 2017. In his capacity as our Executive Director, he oversees the human resource and business development departments, where he is responsible for planning and implementing our Group's human resource and business development strategies to align with our Group's overall goals and objectives.

He enrolled in a course with the Association of Chartered Certified Accountants at London School of Accountancy, United Kingdom in 1980. As part of the course, he joined Kalman, Blech & Co, an audit firm in the United Kingdom in August 1981 as a trainee audit clerk. He left the course to pursue a Bachelor of Business Administration from Newport University in California, USA, from which he graduated in July 1985.

Upon graduation, he returned to Malaysia and joined Double RR Debts Collection (Malaysia) Sdn Bhd in 1986 as an accounts and administrative manager, where he was involved in accounts, supervised the debt collectors and furnished reports to clients. He left to join Five Objectives (M) Sdn Bhd in December 1989 as an administrative executive, where he negotiated with defaulters on a scheme of settlement and report to the clients which were financial institutions.

He left Five Objectives (M) Sdn Bhd in 1996 to join Fortris Malaysia in April 1996 as an administrative and accounts manager, and was appointed as a director in February 1997. He subsequently joined Mega Fortris in September 2000 as a general manager where he supervised various departments (such as human resource, and accounts and finance). From 2001 to 2008, he was the alternate director to Datuk Adrian Ng in our Company. He later resigned as alternate director and was appointed as director in January 2008. He resigned as a director in October 2014 to pursue his personal interest.

In September 2017, he has assumed his current position as our Executive Director, where he has assumed his current responsibilities.

Currently, he is a shareholder of Fortris Malaysia as disclosed in Section 5.2.3 of this Prospectus.

(ii) **Shireen Iqbal Binti Mohamed Iqbal**
Senior Independent Non-Executive Director

Shireen Iqbal binti Mohamed Iqbal, a female aged 56, was appointed as our Senior Independent Non-Executive Director on 20 October 2023. She is also the Chairman of our Nominating Committee, Sustainability and Risk Management Committee, and a member of our Audit Committee and Remuneration Committee.

She graduated with a Bachelor of Arts with (Honours) – Law degree from the University of Kent, Canterbury, United Kingdom in July 1991. She is a member of the Institute of Corporate Directors Malaysia since August 2022 and a holder of a capital markets services representative's licence from the SC under the CMSA for advising on fund management. She has more than 31 years of working experience, with 23 years in real estate and property.

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

She started her career with Maybank Securities Sdn Bhd as a management trainee in January 1993, where she was responsible for treasury dealings. She left to join Caltex Oil Malaysia Limited in April 1993 as a marketing executive. She later left in July 1995 to join Shell Malaysia Trading Sdn Bhd in October 1995 as a retail network manager, and was promoted to marketing manager in August 1999 where she was involved in fuel marketing. She left in July 2000 to join Tesco Stores Malaysia Sdn Bhd in August 2000 as property manager. She was promoted several times while within Tesco Stores Malaysia Sdn Bhd, namely as director of property in April 2005, property acquisition director in March 2007, and property director in January 2011. During her tenure with the company, she was instrumental in the acquisition of a significant competitor, and putting in place governance, reporting, risk and compliance system.

She left Tesco Stores Malaysia Sdn Bhd in December 2014 and joined Malaysian Resources Corporation Berhad in January 2015 as senior vice president of group retail asset development. She left Malaysian Resources Corporation Berhad in December 2018 as chief operating officer of the property division, where she was responsible for various commercial, residential and retail projects including the development and operations of the Penang Sentral Transit Terminal, and putting in place operational strategy, governance and reporting systems for property development, delivering focus and accountability to business units.

She joined Alpha REIT Managers Sdn Bhd in February 2019 as the chief executive officer and executive director, a position she presently hold, focusing on education real estate.

Currently, she is also a director and shareholder of several other private limited companies as disclosed in Section 5.2.3 of this Prospectus.

(iii) Tan Kok Yang
Independent Non-Executive Director

Tan Kok Yang, a Malaysian aged 63, was appointed as our Independent Non-Executive Director on 20 October 2023. He is also the chairman of our Audit Committee, and a member of our Remuneration Committee, Nominating Committee, and Sustainability and Risk Management Committee.

He graduated with a Bachelor of Arts from Universiti Kebangsaan Malaysia in August 1984, and a Master of Business Administration from Southern Cross University, Australia in September 2004. He has more than 33 years of working experience in the banking industry (mainly banking services and operations, and cash management).

He started his career in September 1984 as a human resource officer at Development & Commercial Bank Bhd (currently known as RHB Bank Berhad), before he was transferred as an officer in the bank's branch to gain exposure in the field of banking services and operations. He left the bank and joined Standard Chartered Bank (M) Bhd in April 1990. During his tenure with Standard Chartered Bank (M) Bhd, he held several positions, including bank officer and back-office operation manager, before he left in April 2004 as the head of cash management services, where he was leading a team to manage cash management services and operations, and was also entrusted with regional systems testing on cash management products and services covering Malaysia, Singapore and Hong Kong, as well as setting up a centralisation system for bank remittances. He joined Citibank Malaysia in April 2004 as a vice president and head of transaction services, where he was responsible for the overall daily operations of the bank as well as setting up a project management team on outsourcing of operational processes to third parties.

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

He left Citibank Malaysia and joined United Overseas Bank (M) Bhd in January 2006 as a vice president, head of cash management services, where he was involved in setting up a new cash management department in the bank, creating new cash management products and leading a team to sell these cash management products and services to business customers. He left United Overseas Bank (M) Bhd in November 2009 and joined Alliance Bank (M) Bhd in the same month as a senior vice president, head of cash management services. Subsequently, with the enlarged transaction banking, he took over the role of senior vice president, head of cash and trade sales, overseeing the sales cash management and trade services products, before his retirement in March 2017.

Currently, he does not hold any directorship and shares outside our Group.

(iv) Low Siew Yen
Independent Non-Executive Director

Low Siew Yen, a Malaysian aged 64, was appointed as our Independent Non-Executive Director on 20 October 2023. She is also the Chairman of our Remuneration Committee, and a member of our Audit Committee, Nominating Committee, and Sustainability and Risk Management Committee.

She graduated from University of Birmingham with a Bachelor of Commerce (Accounting) in July 1983. She is a certified public accountant of the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) since January 1990. She has more than 34 years of working experience in the banking industry (mainly commercial and corporate banking).

She began her career in June 1984 when she joined Hanafiah Raslan & Mohamad (which was subsequently merged with Ernst & Young in 2002) as an audit assistant and left the firm as an auditor senior in June 1988. During her tenure there, she was responsible for conducting statutory audit works on companies across various industries.

She left to join Sungei Way Properties Sdn Bhd as an accountant in July 1988 where she was responsible for preparing the budget and projected cashflow for property development projects, assisting the general manager in the implementation of strategic plans for property management and property development projects and supporting the accounting and treasury function of the property division of the company.

Subsequently, she left to join Overseas Union Bank (M) Berhad (which was then acquired by United Overseas Bank (M) Berhad in February 2002) as a senior officer for the bank's Leboh Pasar Branch's operations in April 1989 and was promoted to the position of senior team leader, commercial banking (commercial lending I – branch management) in May 2002. During her tenure with the bank, she was primarily responsible for growing the commercial banking business in Klang Valley's middle market sector whilst supporting the business growth of Penang, Johor and Melaka branches. In addition, she was also tasked to conduct account restructuring, develop new businesses and fixed deposits, as well as cross-sell various bank products including loans, trades, foreign exchange transactions, cash management and foreign currency accounts.

In October 2002, she left to join AmBank Berhad as an assistant general manager, business banking division where she was responsible for expanding the loan base of the bank in the middle market sector, the establishment and business growth of commercial business centres in Klang, Damansara Utama and Medan Pasar areas, as well as coordinating the provision of training modules to improve staff's performance.

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

She then left to join EON Bank Berhad (which was then acquired by Hong Leong Bank Berhad) in March 2004 as a vice president, group enterprise banking. During her tenure with the bank, she grew the loan base of the bank. In addition, she was also responsible for, amongst others, reviewing new and existing loan profiles using in-depth credit assessment measures and cross-selling the bank's products and services including loans, trade facilities, deposits and foreign exchange business.

She joined Hong Kong Shanghai Bank Corporation Malaysia Berhad in September 2006 as a senior relationship manager, commercial banking for seven months. During her tenure with the bank, she was responsible for business development to expand the bank's corporate client profile.

She then left Hong Kong Shanghai Bank Corporation Malaysia Berhad and took a short career break before joining Citibank Berhad in July 2007 as a relationship manager in global relationship banking. Subsequently, she was promoted to director of global subsidiaries group in January 2012, where she was responsible for managing the bank's global multinational companies ("MNCs") profile and providing various structured solutions to support their cash management, working capital management and treasury requirements. In addition, she also coordinated with the Japanese regional desk to expand the bank's Japanese portfolio, as well as collaborated with all product units, business units and support departments locally and globally.

In May 2016, she returned to United Overseas Bank (M) Berhad and assumed dual roles as a head of multinational corporate in wholesale banking and as a general manager for the bank's Labuan branch. As head of multinational corporate in wholesale banking, she was primarily responsible for setting up and developing the MNCs corporate business and portfolio for the bank (with a focus on USA and European entities) and leading the bank's client engagement efforts at C-suite levels in both country and regional levels. As the general manager for the bank's Labuan branch, she was responsible for managing the bank's Labuan offshore business and developing corporate relationships with customers of the bank's Labuan office, as well as ensuring the compliance with the relevant regulatory requirements for the establishment and operation of the Labuan office. During her tenure with the bank, she was also responsible for marketing, originating and implementing corporate proposals for various corporate banking solutions, including fund-raising, financial supply chain management and digitalisation. In January 2023, she was elevated to the position of adviser at multinational corporate, corporate banking, a position she assumed until she retired from United Overseas Bank (M) Berhad in end of March 2023.

Currently, she is also a director and shareholder of a private limited company as disclosed in Section 5.2.3 of this Prospectus.

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

5.2.3 Principal directorships and business activities of our Directors outside our Group

Save as disclosed below, none of our Directors have any other principal directorships or principal business activities outside our Group as at the LPD (“**Present Involvement**”) and other principal directorships outside our Group for the past five years from the LPD (“**Past Involvement**”):

(i) Dato’ Nick Ng

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Present Involvement						
Horizonshoppes (Malaysia) Sdn Bhd	Investment in real estates and securities (listed and/or non-listed)	Director and Shareholder	9 February 2006	-	50.00	-
Mega Plusport Global Sdn Bhd	Engaged in online retail business of food and beverages <i>(currently dormant)</i>	Director and Shareholder	1 August 2023	-	70.00	-
MFG Capital Sdn Bhd	Investment holding (Investment in securities (listed and non-listed) not in similar business to our Group) <i>(currently dormant)</i>	Director and Shareholder	28 December 2016	-	50.00	-
Ng Brothers Estate Sdn Bhd	Investment holding in real estates and securities (listed and/or non-listed)	Director and Shareholder	28 August 2023	-	50.00	-
Mega Capital	Investment holding (investment in listed and non-listed securities)	Director and Shareholder	12 March 2018	-	69.20	-

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

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Mega Global	Fortris 1. Other holding companies 2. Activities of head and regional offices; centralised administrative offices and subsidiary management offices	Director	21 September 2018	-	-	74.01 ⁽¹⁾
Mega Management Pte Ltd	Fortris Activities of head and regional head offices; centralised administrative offices and subsidiary management office – group management and shared services, regional operations headquarters	Director	12 June 2019	-	-	100.00 ⁽²⁾
Past Involvement						
MF Panca Sdn Bhd	Other manufacturing n.e.c. <i>(dissolved on 5 January 2024)</i>	Director and Shareholder	25 September 2003	-	90.00	-
MF Telematics Sdn Bhd	Provider of radio frequency identification tracking and vehicle tracking solutions and in investment holding <i>(dissolved on 4 September 2023)</i>	Director and Shareholder	14 September 2012	-	70.00	-
Tera IT Solutions Sdn Bhd	Providing consulting services and software development <i>(dissolved on 17 February 2023)</i>	Director and shareholder	23 November 2006	-	75.00	-

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

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Cybertronium Sdn Bhd	Information technology, information technology security, training and certification	Director	29 August 2013	10 November 2020	-	-
Mega Security Devices (M) Sdn Bhd	Manufacturing and trading of security and tamper evident labels	Director	11 October 2011	18 April 2022	-	-
MF Telematics (Penang) Sdn Bhd	Dealing in radio frequency identification tracking and vehicle tracking solutions <i>(dissolved on 12 October 2021)</i>	Director	18 April 2013	-	-	100.00 ⁽³⁾
MFSS	Providing information technology and related services	Director	31 December 2001	3 April 2023	-	-
MIOT	Provider of radio frequency identification tracking and vehicle tracking solutions and in investment holding	Director	21 April 2015	3 April 2023	-	-
Shaoxing Mega Fortris Seals Co., Ltd	Manufacturing and trading of security seals <i>(struck off on 21 March 2023)</i>	Director	30 June 2006	-	-	57.50 ⁽⁴⁾

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

Notes:

- (1) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital and Ng Brothers Estate.
- (2) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate, and Mega Fortris Global.
- (3) Deemed interested by virtue of Section 8 of the Act held through MF Telematics Sdn Bhd.
- (4) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate, Mega Fortris Global and Mega Fortris.

(ii) Datuk Adrian Ng

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Present Involvement						
Horizonshoppes (Malaysia) Sdn Bhd	Investment in real estates and securities (listed and/or non-listed)	Director and Shareholder	26 March 2007	-	50.00	-
Mega Plusport Global Sdn Bhd	Engaged in online retail business of food and beverages <i>(currently dormant)</i>	Director and Shareholder	28 December 2021	-	20.00	-
MFG Capital Sdn Bhd	Investment holding (investment in securities (listed and non-listed) not in similar business to our Group) <i>(currently dormant)</i>	Director and Shareholder	28 December 2016	-	50.00	-
Ng Brothers Estate Sdn Bhd	Investment holding in real estates and securities (listed and/or non-listed)	Director and Shareholder	28 August 2023	-	50.00	-

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

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Mega Fortris Capital Ltd	Investment holding (investment in listed and non-listed securities)	Director and Shareholder	12 March 2018	-	25.00	-
Mega Fortris Global Pte Ltd	1. Other holding companies 2. Activities of head and regional offices; centralised administrative offices and subsidiary management offices	Director	21 September 2018	-	-	74.01 ⁽¹⁾
Mega Fortris Management Pte Ltd	Activities of head and regional head offices; centralised administrative offices and subsidiary management office – group management and shared services, regional operations headquarters	Director	12 June 2019	-	-	100.00 ⁽²⁾
Fortris Malaysia	Investment holding (as at LPD, not holding any investment and not intending to make any investment)	Shareholder	-	-	10.00	-
TRB Ventures Sdn Bhd	Web portals; other information technology service activities n.e.c; training and consultation service	Shareholder	-	-	1.01	-
Geomico Green Biotechnology Pte Ltd	Wholesale trade of a variety of goods without a dominant product	Shareholder	20 August 2015	-	15.04	-

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

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)		
					Direct (%)	Indirect (%)	
Past Involvement							
Mega Tebco Global Sdn Bhd	Other food service activities <i>(dissolved on 12 November 2020)</i>	Director and shareholder	9 December 2015	-	50.00	-	
MF Panca Sdn Bhd	Other manufacturing n.e.c. <i>(dissolved on 5 January 2024)</i>	Director and shareholder	4 June 2004	-	10.00	-	
MF Telematics Sdn Bhd	Provider of radio frequency identification tracking and vehicle tracking solutions and in investment holding <i>(dissolved on 4 September 2023)</i>	Director and shareholder	14 September 2012	-	30.00	-	
Tera IT Solutions Sdn Bhd	Providing consulting services and software development <i>(dissolved on 17 February 2023)</i>	Director and shareholder	23 November 2006	-	25.00	-	
Forte Financial Holdings Pte Ltd	1. Management consultancy services – advisory and consultancy services 2. Other holding companies	Director and shareholder	30 December 2022	14 December 2023	20.50	-	

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<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Mega Security Devices (M) Sdn Bhd	Manufacturing and trading of security and tamper evident labels	Director	11 October 2011	18 April 2022	-	-
MF Telematics (Penang) Sdn Bhd	Dealing in radio frequency identification tracking and vehicle tracking solutions <i>(dissolved on 12 October 2021)</i>	Director	18 April 2013	-	-	100.00 ⁽³⁾
MFSS	Providing information technology and related services	Director	31 December 2001	3 April 2023	-	-
MIOT	Provider of radio frequency identification tracking and vehicle tracking solutions and in investment holding	Director	21 April 2015	3 April 2023	-	-
Mega Fortris Ctrack Solutions (Singapore) Pte Ltd	1. Other information technology and computer service activities (EG disaster recovery services) – radio frequency identification solutions provider and seamless business integrator 2. Wholesale trade of a variety of goods without a dominant product – general importers and exporters and commission agents <i>(struck off on 9 May 2022)</i>	Director	18 March 2013	-	-	-

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<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Mobile Sensory Technologies Sweden Ab	Dissolved on 14 May 2021	Director	23 August 2019	-	-	2.65 ⁽²⁾
Shaoxing Mega Fortris Seals Co., Ltd	Manufacturing and trading of security seals <i>(struck off on 21 March 2023)</i>	Director	31 March 2010	-	-	57.50 ⁽⁴⁾
PT. Mega Fortris Indonesia	Trading of security seals and tamper evident products	Director	8 December 2010	4 August 2023	-	51.00 ⁽⁴⁾

Notes:

- (1) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital and Ng Brothers Estate.
- (2) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate, and Mega Fortris Global.
- (3) Deemed interested by virtue of Section 8 of the Act held through MF Telematics Sdn Bhd.
- (4) Deemed interested by virtue of Section 8 of the Act held through Mega Fortris Capital, Ng Brothers Estate, Mega Fortris Global and Mega Fortris.

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(iii) **Ng Weng Choi**

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
<u>Present Involvement</u>						
Fortris Malaysia	Investment holding (as at LPD, not holding any investments and not intending to make any investments)	Shareholder	-	-	10.00	-
<u>Past Involvement</u>						
Mega Security Devices (M) Sdn Bhd	Manufacturing and trading of security and tamper evident labels	Director	11 October 2011	18 April 2022	-	-
MFSS	Providing information technology and related services	Director	2 January 2008	3 April 2023	-	-
PT Mega Fortris Indonesia	Trading of security seals and tamper evident products	Director	8 December 2010	4 August 2023	-	-

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(iv) **Shireen Iqbal Binti Mohamed Iqbal**

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Present Involvement						
Najh Advisors Sdn Bhd	Real estate advisory and training services ⁽¹⁾	Director and Shareholder	17 April 2023	-	100.00	-
Alpha REIT Managers Sdn Bhd	Managing real estate investment trust	Director	7 October 2019	-	-	-
Amfaz Sdn Bhd	Investment holding company (investing in textile business)	Shareholder	-	-	12.49	-
Past Involvement						
UM Holdings Sdn Bhd	Investment and commercial arm of the University of Malaya	Director	15 July 2022	19 April 2023	-	-
UM Properties Sdn Bhd	Real estate activities on a fee or contract basis n.e.c.	Director	27 December 2022	31 January 2024	-	-

Note:

(1) The company has yet to commence any business as at the LPD.

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(v) Tan Kok Yang

Tan Kok Yang does not have any other principal directorships or principal business activities outside our Group as at the LPD and other principal directorships outside our Group for the past five years from the LPD.

(vi) Lew Siew Yen

Name of company	Principal activities	Designation	Date of appointment	Date of resignation	Equity interest (%)	
					Direct (%)	Indirect (%)
Present Involvement						
Y2K Motor Sdn Bhd	Dealership and servicing of Hyundai vehicles auto accessories parts	Director and shareholder	1 April 2016	-	25.00	-

Lew Siew Yen does not have other principal directorships outside our Group for the past five years from the LPD.

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

The involvement of:

- (i) our Executive Directors in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management; and
- (ii) our Independent Non-Executive Directors in business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of our Group.

As such, our Board is of the view that this would not affect their contribution and performance to our Group.

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5.2.4 Directors' remuneration and material benefits in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for their services rendered in all capacities within our Group for the FYE 2024 and the FYE 2025 are set out below:

FYE 2024 (Paid)	Salaries RM'000	Directors' fees RM'000	Bonuses ⁽¹⁾ RM'000	Allowances and benefits- in-kind RM'000	Contributions to EPF and SOCSSO RM'000	Total RM'000
Executive Directors						
Datuk Adrian Ng	529	-	74	216	99	918
Ng Weng Choi	395	-	33	30	56	514
Non-Executive Directors						
Dato' Nick Ng ⁽²⁾	56	480	111	299	41	987
Shireen Iqbal Binti Mohamed Iqbal	-	32	-	4	-	36
Tan Kok Yang	-	32	-	4	-	36
Lew Siew Yen	-	32	-	4	-	36

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FYE 2025 (Proposed)	Salaries	Directors' fees	Bonuses	Allowances and benefits-in-kind	Contributions to EPF and SOCSO	Total	Actual amount paid up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors							
Datuk Adrian Ng	600	-	44	216	104	964	202
Ng Weng Choi	397	-	33	30	56	516	117
Non-Executive Directors							
Dato' Nick Ng	-	720	-	180	-	900	150
Shireen Iqbal Binti Mohamed Iqbal	-	79	-	27	-	106	8
Tan Kok Yang	-	79	-	20	-	99	8
Lew Siew Yen	-	79	-	20	-	99	8

Notes:

- (1) Bonus paid in FYE 2024 is based on the performance of the respective Directors in FYE 2023.
- (2) The remuneration of Dato' Nick Ng includes salary, bonus, allowances and benefits-in-kind and contribution to EPF and SOCSO paid to him before he was re-designated as our Non-Independent Non-Executive Chairman on 1 August 2023.

The remuneration of our Directors must be considered and recommended by the Remuneration Committee and subsequently be approved by our Board. Our Directors' fees must be further approved and endorsed by our shareholders at a general meeting.

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5.3 BOARD PRACTICES

Our Board has the overall responsibility for the long-term success of our Group and delivery of sustainable value to our stakeholders. Our Board must act with integrity, lead by example, keep abreast of his / her responsibilities as a Director and of the conduct, business activities and development of our Company.

5.3.1 Board

Subject to the limitations of our Constitution, our Board has adopted a 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 underpin 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 our Group's sustainability goals to maintain the confidence of stakeholders;
- (iii) reviewing, challenging and deciding on our management's proposals on matters for our Group 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 our Group's business, including assessing and monitoring the performance of our management to determine whether the business is properly managed;
- (v) identifying and assessing the 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 our Board expects our management to operate and ensure that there is an appropriate annual review and periodic testing of our Group'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 regularly reviewing the succession plan of our Group, including appointing, training, compensating and where appropriate, to provide for the orderly transition 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 Group;
- (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) ensuring that governance in our Group is implemented holistically through a group governance framework and overseeing our Group's adherence to our Group's policies;

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(xi) ensure the integrity of our Group's financial and non-financial reporting. Courts have held that it is the duty of every Director to read the financial statements of our Group and carefully consider whether the disclosures are consistent with the director's own knowledge of our Group's affairs; and

(xii) maintaining and keeping proper records and accounts of our Group.

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

Directors	Date of appointment as Director	Date of expiration of current term of office	Approximate no. of years in office as at the LPD
Dato' Nick Ng	20 June 2001	At the AGM in the year of 2025 ⁽²⁾	23
Datuk Adrian Ng	20 June 2001	At the AGM in the year of 2026 ⁽²⁾	23
Ng Weng Choi	19 September 2017	At the AGM in the year of 2024 ⁽²⁾	Seven
Shireen Iqbal Binti Mohamed Iqbal	20 October 2023	At the AGM in the year of 2025 ⁽¹⁾	Less than one
Tan Kok Yang	20 October 2023	At the AGM in the year of 2026 ⁽¹⁾	Less than one
Lew Siew Yen	20 October 2023	At the AGM in the year of 2024 ⁽¹⁾	Less than one

Notes:

(1) Based on our Constitution, an election of directors shall take place every year. At the first annual general meeting of our Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year 1/3 of the Directors for the time being, or if their number is not three or a multiple of three, 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 three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he / she retires.

(2) For the avoidance of doubt, Ng Weng Choi's last re-election was on 30 December 2021 while Dato' Nick Ng's last re-election was 31 December 2022 and Datuk Adrian Ng's last re-election was 29 December 2023 in accordance with our Constitution which had been in effect at the time. Based on our constitution:

(i) Ng Weng Choi, Dato' Nick Ng and Datuk Adrian Ng will be subject to retirement by rotation at least once every three years at our AGM in the year 2024, 2025 and 2026 respectively; and

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- (ii) 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 practices recommended by the MCCG.

5.3.2 Audit Committee

Our Audit Committee comprises the following members:

Name	Designation	Directorship
Tan Kok Yang	Chairman	Independent Non-Executive Director
Shireen Iqbal Binti Mohamed Iqbal	Member	Senior Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director

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

- (i) to review the following with the external auditors and report the same to our Board:
- the audit plan;
 - the evaluation of the system of internal controls;
 - the audit report; and
 - the assistance given by our employees of our Group to the external auditors.
- (ii) to do the following and report the same to our Board, in relation to the internal audit function:
- 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;
 - 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;
 - review any appraisal or assessment of the internal audit personnel on their independence status, qualification, experience and competency, resources and support to carry their work effectively, performance, audit fees; and continuous professional development;

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- (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.
- (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 conflict of interest situation that arose, persist or may arise within our Company and our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (v) to ensure that they are fully informed about significant matters related to our Company's audit and its financial statements. They must address any concerns that may impact the financial or audit aspects of our Company and communicate these issues to the external auditors;
- (vi) to discuss problems and concerns that arise from the interim and final audits, as well as any matters that 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 to our Board the appointment, nomination, resignation, re-appointment and dismissal 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;

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- (xi) to review the allocation of options / shares granted pursuant to the employees' share option scheme / employee share grant and make such statements to be included in the annual report of our Company in relation to a share scheme for employees;
- (xii) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs; and
- (xiii) to carry out such other functions as may be agreed by the Committee and our Board as may be required under the MCGG, Listing Requirements and any other regulatory requirements.

5.3.3 Remuneration Committee

Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Lew Siew Yen	Chairman	Independent Non-Executive Director
Shireen Iqbal Mohamed Iqbal	Binti Member	Senior Independent Non-Executive Director
Tan Kok Yang	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 our 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, amongst others, the following:

- (i) to assist our Board in discharging its responsibilities for, among others, its compensation strategy, management development and other compensation arrangement;
- (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 Director and senior management and the basis of the Directors' and senior management's merit, qualification and competence, while having regard to our Company's the business strategy, long-term objectives, 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 remuneration packages of the Directors and senior management personnel in all forms, particularly on whether the remuneration remains appropriate to the contribution of each of the Directors and senior management personnel, by taking into account the level of expertise, commitment and responsibilities undertaken, with or without other independent professional advice or other outside advice, with reference to our Company's remuneration policy and procedure;

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- (iv) to ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings;
- (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' obligations to bring objectivity and independent judgment on matters discussed at Board meetings;
- (vi) to consider and examine such other matters as our 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 Sustainability and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures;
- (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.

5.3.4 Nominating Committee

Our Nominating Committee comprises the following members:

Name	Designation	Directorship
Shireen Iqbal Binti Mohamed Iqbal	Chairman	Senior Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director
Tan Kok Yang	Member	Independent Non-Executive Director

The Nominating Committee's duties and responsibilities include, amongst 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 Board and senior management and to achieve 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;

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- (v) the chairman of the Nominating Committee shall refer to 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 chairman and managing Director;
- (vi) to establish the mechanisms for the formal assessment on an annual basis on the effectiveness of our Board as a whole, the effectiveness of each Directors; the effectiveness of our board of committees and senior management; the performance of the Directors and senior management of our Company 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;
- (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 chairman and to disclose the annual evaluation methodology and results in the corporate governance report of our Company;
- (viii) to review on an annual basis, the meeting attendance of our Board and/or board committee(s) meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in our Company;
- (ix) to review on an 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 the audit committee;
- (x) 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 interests of our Company;
- (xi) to review on an annual basis, the length of service of each independent non-executive Director. The tenure of an independent director shall not exceed a term limit of nine years. After a cumulative term of nine years, the independent director may continue to serve on our Board as a non-independent Director. However, if our Board intends to retain an independent director beyond nine years, it should provide justification and seek shareholders' approval annually through a two-tier voting process in a general meeting.
- (xii) 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 our Board to function effectively and efficiency and to ensure that the contribution of our Directors and senior management are in line with our Group's requirements and in compliance with the Listing Requirements;
- (xiii) to facilitate our Board induction programme for newly appointed Directors and identify suitable educational and training programmes for continuous development of Directors to ensure the Directors and senior management keep abreast with development in the industry, regulatory changes, sustainability issues relevant to our Company and Board business trends;

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- (xiv) 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;
- (xv) to review and recommend to our Board re-election if Directors who retired by rotation pursuant to our Company's Constitution and re-appointment of Directors who retired pursuant to relevant provisions of the Act and in our Company's Constitution, subject to the conduct of the fit and proper assessment;
- (xvi) 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;
- (xvii) 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;
- (xviii) to act in line with the directions of our Board;
- (xix) to provide a report summarising activities of our Nominating Committee for the year which include the application of fit and proper policy in compliance with the MCGG, Listing Requirements and any relevant regulations; and
- (xx) to carry out such other functions or assignments as may be delegated by our Board from time to time within the scope of the Nominating Committee or as may be required under the Listing Requirements.

5.3.5 Sustainability and Risk Management Committee

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

Name	Designation	Directorship
Shireen Iqbal Binti Mohamed Iqbal	Chairman	Senior Independent Non-Executive Director
Tan Kok Yang	Member	Independent Non-Executive Director
Lew Siew Yen	Member	Independent Non-Executive Director
Datuk Adrian Ng	Member	Group Managing Director cum Group Chief Executive Officer

The current composition of our Sustainability and Risk Management Committee comprises a majority of Independent Directors to enable objective oversight of the management of principal business risks and significant or material economic, environmental and social risks. Our Non-Independent Group Managing Director cum Group Chief Executive Officer is part of the committee as he has in-depth knowledge on the business and sustainability risks that our Company is exposed to and would be in a better position to evaluate such risks to be presented to our Sustainability and Risk Management Committee. Accordingly, our Group Managing Director cum Group Chief Executive Officer is able to recommend sustainability and risk management strategies and policies and risk tolerance levels.

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Our Board together with management takes responsibility for the governance of sustainability in our Company including setting our 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 Sustainability and 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 and sustainability management.

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

- (i) Sustainability
 - (a) to advise and recommend business strategies related to sustainability to our Board, which includes, but is not limited to ESG;
 - (b) to monitor the implementation of sustainability strategies as approved by our Board;
 - (c) to provide recommendation to our Board on sustainability-related policies for adoption and monitoring the implementation of the policies;
 - (d) to review sustainability issues which arise from independent audits and assurance reports, if any, and matters related to sustainability highlighted by regulators or relevant consultants;
 - (e) to recommend material sustainability matters to our Board for approval;
 - (f) to oversee the management of sustainability matters, focusing primarily on issues material to our Group;
 - (g) to receive half yearly update from management on the progress towards achieving our Group's sustainability targets;
 - (h) to oversee the preparation of sustainability disclosures as required by laws and/or rules, and recommending it for our Board's approval; and
 - (i) to review and recommend the sustainability statement for annual report to our Board for approval to ensure that our Group's sustainability initiatives and outcomes are effectively communicated to investors and other stakeholders.
- (ii) Risk Management
 - (a) to oversee and recommend the risk management strategies and policies and risk tolerance levels for our Board's approval;
 - (b) to ensure the management of sustainability risks and opportunities is integrated into the risk management framework and that the risk management framework and policy are embedded in and function effectively throughout our Group within the parameters established by our Board and to ensure that the risk management framework shall be based on an internationally recognised framework;

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

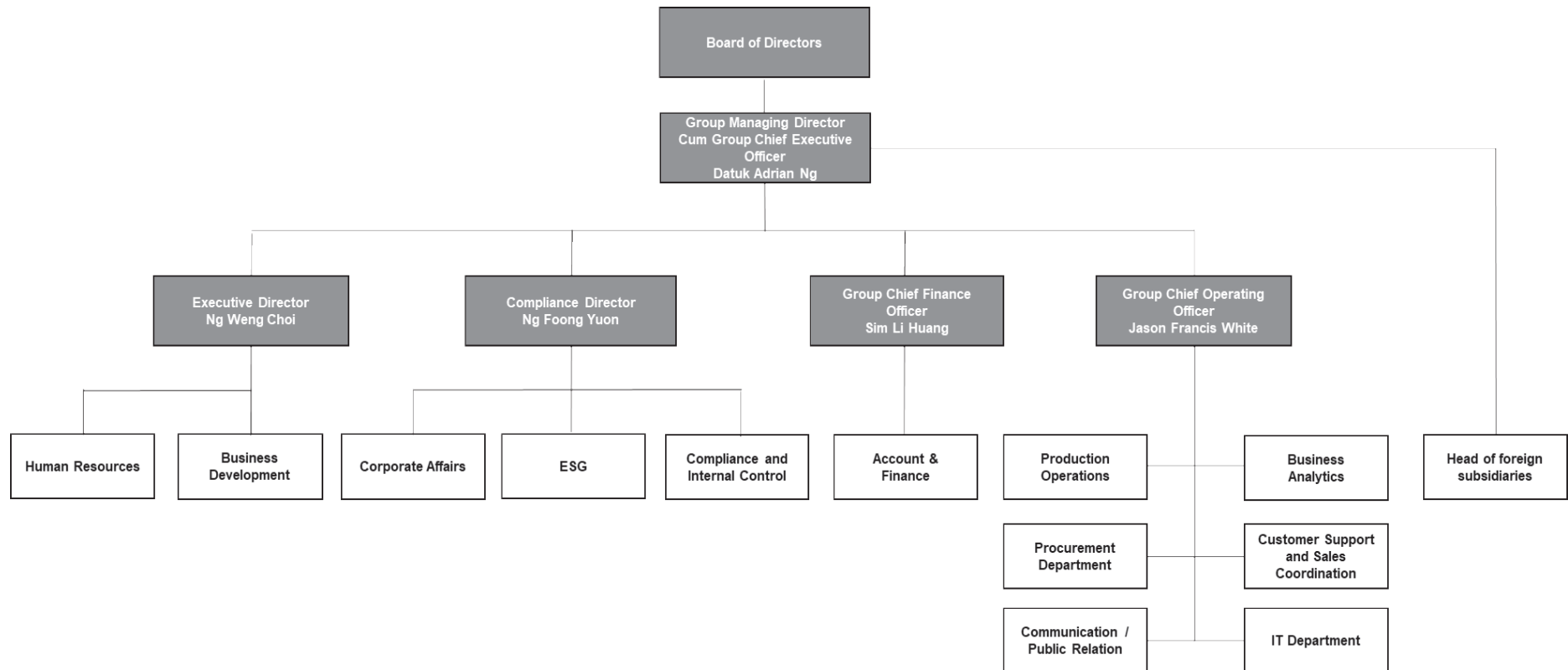
- (c) to identify and measure potential risks and to formulate mitigation action plan(s) to manage and monitor the identified risks within our Group's risk appetite and to ensure that corrective measures are taken to address any failings and/or weaknesses;
- (d) to conduct an annual review and periodic testing of the risk management framework which includes reviewing key risk registers and risk dashboard of our Group to ensure compliance and relevance in light of any changes in internal business processes, business strategies, external ESG or any related to sustainability issues;
- (e) to provide risk management awareness and education to all levels of our Group;
- (f) to ensure infrastructure, resources and systems are in place for risk management which includes ensuring that staff responsible for implementing risk management systems perform their duties independently of our Group's risk-taking activities;
- (g) to report our Group's risk management activities and update key risk registers and the risk dashboard to our Board on a regular basis, at least annually;
- (h) to perform risk identification and assessment regarding major asset/business acquisition or divestment, or business diversification or business consolidation and to report the results of the assessment to our Board for strategic decision making;
- (i) to perform regular reviews, to monitor and conduct assessments of the effectiveness, efficiency and performance of our Group's anti-bribery programme. Such reviews may take the form of internal audits or audits conducted by an external party. The reviews shall form the basis for any improvements to existing anti-bribery and corruption controls;
- (j) to review the effectiveness of our Group's risk management systems; and recommend, where appropriate, the endorsement of the Statement on Risk Management and Internal Control to be included in our Company's annual report;
- (k) to consider and examine such other matters as the Sustainability and Risk Management Committee considers appropriate or as defined by our Board;
- (l) to consider other matters as defined by our Board; and
- (m) to provide oversight over projects/major contracts, and other contracts requiring our Board's approval, including endorsement of contract terms (and any material amendments to such contracts) before acceptance and execution as well as potential/actual disputes with counterparties.

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

5.4 KEY SENIOR MANAGEMENT

5.4.1 Management reporting structure

The management reporting structure of our Group is as follows:



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

5.4.2 Shareholdings of our Key Senior Management

Please refer to Section 5.2.1 of this Prospectus for information on the shareholdings of Datuk Adrian Ng and Ng Weng Choi in our Company.

The shareholdings of our Key Senior Management in our Company before and after our IPO are as follows:

Key Senior Management	Nationality	As at the LPD and before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Sim Li Huang	Malaysian	-	-	-	-	1,800,000	0.21	-	-
Jason Francis White	South African	-	-	-	-	1,600,000	0.19	-	-
Ng Foong Yuon	Malaysian	-	-	-	-	1,800,000	0.21	-	-

Notes:

(1) Based on the total number of 697,099,480 Shares as at the LPD and before our IPO.

(2) Based on the enlarged total number of 844,972,480 Shares after our IPO.

Our Key Senior Management may subscribe for excess Issue Shares under those allocated for other Eligible Persons as well as the IPO Shares under the Public Issue.

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

5.4.3 Profiles of our Key Senior Management

Please refer to Sections 5.1.2 and 5.2.2 of this Prospectus for the profiles of Datuk Adrian Ng and Ng Weng Choi respectively. The profiles of other Key Senior Management are as follows:

(i) **Sim Li Huang**
Group Chief Finance Officer

Sim Li Huang, a Malaysian aged 50, is our Group Chief Finance Officer. She is responsible for overseeing our Group's accounting, financial, and treasury functions which includes financial planning and review, cash flow management, and financial reporting. She obtained her London Chamber of Commerce and Industry Higher Group Diploma in Accounting in July 1993, and professional qualifications in the Association of Chartered Certified Accountants in February 1999.

She is a member of the Association of Chartered Certified Accountants since June 1999 and the Malaysian Institute of Accountants since July 2000. In July 2004, she was admitted as a Fellow Member of the Association of Chartered Certified Accountants. She has more than 28 years of working experience in accounting, finance and audit.

She began her career with T Y & Associates in April 1996 as an audit assistant, and later promoted to an audit senior in November 1999, where she was involved in statutory audits, preparation of consolidated accounts and preparation of accountant reports. She left T Y & Associates in May 2000 and joined GT Group Management Sdn Bhd in the same month, and was later transferred to its related company, DKH Management Sdn Bhd in March 2001, as an assistant accountant where she was involved in the preparation of management reports, company's accounts, and financial statements.

She left DKH Management Sdn Bhd in June 2002 and took a three-month career break. She later joined Mega Fortris as an accountant in September 2002, and was later promoted to group accountant in May 2012 and Chief Finance Officer in January 2022. She was later re-designated as our Group Chief Finance Officer in January 2023 where she has assumed her current responsibilities.

Currently, she does not hold any directorships and shares outside our Group. Please refer to Section 5.4.4 of this Prospectus for further details on her past directorships outside our Group.

(ii) **Jason Francis White**
Group Chief Operating Officer

Jason Francis White, a South African aged 48, is our Group Chief Operating Officer. He is responsible for overseeing our manufacturing activities which includes the production of goods, implementation of new technologies and quality assurance of the products and services. He is also responsible for improving service delivery, warehouse activities and capital expenditure budgeting.

He graduated with a Diploma of Advanced Project Management from Damelin (Pty) Ltd in August 2004, and was awarded with a Bachelor of Commerce in Business Informatics from University of South Africa in November 2019. He has more than 24 years of working experience in production and operations of various companies.

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

He began his career in Rhombic Engineering (Pty) Ltd (a company principally involved in manufacture of components, sub-assemblies and assemblies of electrical hardware, high voltage components and transmission equipment, based in Gauteng, South Africa) in December 1999 as an apprentice, involved in the design and manufacture of tooling necessary for mass production within a workshop.

He left Rhombic Engineering (Pty) Ltd in November 2002 to join Ulrich Engineering (Pty) Ltd (a company principally involved in private households, exterritorial organisations, representatives of foreign governments and other activities not adequately defined*, based in Gauteng, South Africa) in December 2002 as an operations manager, where he was involved in procurement management, planning and scheduling machine and staff operations, and managing customer delivery and lead times.

He became a director of Ulrich Engineering (Pty) Ltd on 24 February 2004 before he left in December 2006 to join Solar Harvest (Pty) Ltd (a company principally involved in manufacturing of solar panels, based in Gauteng, South Africa) in January 2007 as a production development engineer where he oversaw the planning, preparation, and implementation of a custom-built manufacturing facility, and was responsible for being the project manager for design and production of solar water heaters. He later became a director of Solar Harvest (Pty) Ltd on 13 April 2007 before he left in September 2009 to join Misa Projects and Water Management CC (a close corporation principally involved in the design and production of credit control devices and provision of turnkey solutions for utility services management, based in Gauteng, South Africa) in October 2009 as a project manager, where he was responsible for designing new mechanical product solutions for credit control projects and managing production facilities to meet product manufacturing lines.

He left Misa Projects and Water Management CC in May 2012 and rejoined Ulrich Engineering (Pty) Ltd in the same month as a production manager and was later promoted to an operations director in January 2015, where he was mainly responsible for developing and implementing the overall operational strategy for the facility. He left Ulrich Engineering (Pty) Ltd in August 2020 to join Mega Fortris in September 2020 as a director of production. He was later promoted to our Group Chief Operating Officer in July 2023 where he has assumed his current responsibilities.

Currently, he does not hold any directorships and shares outside our Group. Please refer to Section 5.4.4 of this Prospectus for further details on his past directorships outside our Group.

Note:

* The principal description of Ulrich Engineering (Pty) Ltd as stated above is extracted from the South African Companies and Intellectual Property Commission (“CIPC”) search report dated 23 April 2024. For clarification, “other activities not adequately defined” is one of the standard industry codes in South African CIPC’s system, established for the interim classification of establishments which are economically active, but in respect of which adequate information for the classification of their economic activities is not available.

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

(iii) Ng Foong Yuon
Compliance Director

Ng Foong Yuon, a Malaysian female aged 64, is our Compliance Director. She is primarily responsible for our Group's compliance with relevant guidelines and regulations governing the business, maintaining effective relationship with regulatory bodies, and risk management. She obtained her General Certificate of Education in 1978. She has more than 28 years of working experience including more than 16 years in the security seal industry.

She began her career with Behn Meyer (Malaysia) Sdn Bhd in 1980 as an administration and shipping clerk, where she was responsible for the import of fertilisers, chemicals, dye stuffs, machineries and reselling to distributors and agents. She also handled customs clearance for the company's import shipments. She left the company in 1984 and joined Harrisons & Crosfield (Malaysia) Sdn Bhd in June 1984 as a confidential secretary. She supported and assisted the registered company secretary of the company in arranging for board meetings, preparing meeting minutes and handling all matters related to the board.

She left the company in August 1990 and took a 15-year career break to be a full-time homemaker. She joined Mithril Saferay Sdn Bhd in June 2005 as a personal assistant to the Chief Executive Officer ("CEO") of the company. Her responsibilities included supporting and assisting the CEO of the company, arranging for board meetings, preparing meeting minutes and handling all matters related to the board.

She left Mithril Saferay Sdn Bhd in June 2007 to join Mega Fortris as an administration manager in July 2007. She was then promoted to a corporate affairs manager in June 2011 and subsequently, re-designated to a corporate affairs director in January 2017 where she was responsible for all corporate related affairs of our Company which includes liaison with local authorities and government regulatory bodies such as Immigration Department of Malaysia, Royal Malaysia Customs Department, MITI and MIDA. She was redesignated as our Compliance Director in January 2024 and has assumed additional responsibilities of overseeing the compliance and internal control, ESG and corporate affairs of our Group.

She was previously the chairman of the Federation of Malaysian Manufacturers ("FMM") Selangor and Kuala Lumpur branch from November 2022 to November 2023. By virtue of her position as the branch chairman, she chaired the branch finance working sub-committee and branch strategic policies and research working sub-committee. She represented the branch in the FMM EXCO and FMM Institute at the national level. She assumed several committee member roles at the national level, including the human resource management committee and export and international business committee.

She was also the representative for FMM Selangor and Kuala Lumpur branch in Selangor State Standing Committee on Investment Industry and Commerce and SME, where she attended Selangor government's various meetings and functions, and played a vital part in fostering dialogue surrounding industry growth and addressing pertinent challenges. Her responsibilities extended to engaging with stakeholders, including local councils and government bodies, to attentively address members' concerns. She also served in the FMM Council from December 2016 until December 2023.

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

She is currently a council member of the Malaysian Consortium of Mid-Tier Companies since December 2022, and a City Executive Committee member of City Cancer Challenge for Greater Petaling since July 2021.

She was awarded the Malaysian Productivity Corporation (MPC) Productivity Champion in May 2016 and has received the Setia Mahkota Selangor (S.M.S.) award from the Sultan of Selangor in December 2018.

Currently, she does not hold any directorships and shares outside our Group. Please refer to Section 5.4.4 of this Prospectus for further details on her past directorships outside our Group.

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

5.4.4 Principal directorships and principal business activities on our Key Senior Management outside our Group for the past five years

Save as disclosed below, none of our Key Senior Management has any other principal directorships and principal business activities outside our Group as at the LPD (“**Present Involvement**”) and other principal directorships outside our Group for the past five years from the LPD (“**Past Involvement**”):

(i) **Sim Li Huang**

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Past Involvement						
Mega Tebco Global Sdn Bhd	Other food service activities <i>(dissolved on 12 November 2020)</i>	Director	9 December 2015	-	-	-

(ii) **Jason Francis White**

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Past Involvement						
Ulrich Engineering (Pty) Ltd	Private households, exterritorial organisations, representatives of foreign governments and other activities not adequately defined <i>(deregistered on 20 January 2024)</i>	Director	24 February 2004	-	-	-

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

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
Past Involvement						
Solar Harvest (Pty) Ltd	Manufacturers of solar panels <i>(deregistered on 1 September 2020)</i>	Director	13 April 2007	-	-	-
(iii) Ng Foong Yuon						
<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
Past Involvement						
Cybertronium Sdn Bhd	Information technology, information technology security, training and certification	Director	21 December 2017	10 November 2020	-	-
Federation of Malaysian Manufacturers	Principally engaged in the promotion and protection of the interest of manufacturers of all kinds of goods and commodities	Director	13 December 2016	7 December 2023	-	-
FMM Institute	Organise training programmes and seminars	Director	9 January 2023	7 December 2023	-	-

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

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
FMM Services Sdn Bhd	<p>1. To provide advices, guidance, assistance and consultancy services on all aspects of the labour laws, industrial relations matters, customs, transportation, logistics, utilities, environmental matters, trade facilitation and all issues affecting industry and businesses.</p> <p>2. To organise and conduct training courses, conventions, conferences, lectures and seminars.</p>	Director	2 January 2019	-	-	-

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

<u>Name of company</u>	<u>Principal activities</u>	<u>Designation</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest (%)</u>	
					<u>Direct (%)</u>	<u>Indirect (%)</u>
	3. To publish books, periodicals, magazines, journals, newsletters, technical, and other scientific literature for the promotion of the objectives of the company.					
	<i>(dissolved on 19 September 2022)</i>					

The involvement of our Key Senior Management in business activities outside our Group does not give rise to any existing or potential conflict of interest situation and does not affect their commitment, ability to perform their responsibilities and continued contribution to the day-to-day management and operations of our Group as:

- (i) our Key Senior Management do not participate in the day-to-day operations of these businesses; and
- (ii) such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management.

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

5.4.5 Key Senior Management's remuneration and material benefits-in-kind

Please refer to Section 5.2.4 of this Prospectus for the remuneration and material benefits-in-kind of Datuk Adrian Ng and Ng Weng Choi. The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our other Key Senior Management for their services rendered in all capacities within our Group for the FYE 2024 and the FYE 2025 are set out below:

Key Management	Senior	Remuneration band (in bands of RM50,000)		Actual amount
		FYE 2024 (Paid)	FYE 2025 (Proposed)	paid up to LPD
		RM'000	RM'000	RM'000
Sim Li Huang		500 to 550	550 to 600	123
Jason White	Francis	550 to 600	550 to 600	124
Ng Foong Yuon		300 to 350	400 to 450	87

The remuneration for our Key Senior Management includes salaries, allowances, contribution to EPF and SOSCO, and other benefits.

5.5 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management are or have been involved in any of the following events (whether within or outside Malaysia):

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

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

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Dato' Nick Ng, Datuk Adrian Ng and Ng Foong Yuon are siblings. Save for this, there are no family relationships or associations between the Promoters, substantial shareholders, Directors and Key Senior Management.

5.7 EXISTING OR PROPOSED SERVICE AGREEMENT

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

6. INFORMATION ON OUR GROUP

6.1 OUR GROUP

Our Company was incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Act on 9 April 1998 as a private limited company under the name of Regalcroft Sdn Bhd. Our Company changed its name to Bloxwich Security Products Sdn Bhd on 7 August 1998 and subsequently to Mega Fortris (Malaysia) Sdn Bhd on 18 July 2000. Our Company later changed its name to Mega Fortris Sdn Bhd on 8 August 2023.

Our Company was subsequently converted into a public limited company on 31 January 2024 and assumed our present name of Mega Fortris Berhad to facilitate our Listing.

The principal place of business of our Company is at No. 29 Property. We are principally involved in investment holding, design and manufacturing of security seals, and trading of related products and services. As at the LPD, we have 17 Subsidiaries, and our Group does not have any joint venture or associate companies.

Please refer to Section 6.3 of this Prospectus for information on our Subsidiaries.

6.1.1 Share capital and changes in share capital

As at the LPD, our issued share capital is RM34,854,974.00 comprising 697,099,480 Shares.

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

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Nature of transaction</u>	<u>Consideration (RM)</u>	<u>No. of cumulative Shares</u>	<u>Cumulative issued share capital (RM)</u>
9 April 1998	2	Subscribers' shares	2	2	2
6 August 1998	349,998	Cash	349,998	350,000	350,000
1 June 2001	793,000	Otherwise than cash	793,000	1,143,000	1,143,000
30 June 2023	33,711,974	Otherwise than cash (Acquisitions)	33,711,974	34,854,974	34,854,974
13 October 2023	1,010,794,246	Share Split	-	1,045,649,220	34,854,974
26 January 2024	-	Share Consolidation	-	697,099,480	34,854,974

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments.

Upon the completion of our IPO and Listing, our issued share capital will increase from RM34,854,974.00 comprising 697,099,480 Shares to RM130,957,637.00 comprising 844,972,480 Shares.

6. INFORMATION ON OUR GROUP

6.1.2 Pre-IPO Reorganisation

In conjunction with our Listing, we have undertaken the Pre-IPO Reorganisation comprising the Acquisitions, the Acquisitions of Mega Fortris Security Bags' Minority Interests, the Share Split and the Share Consolidation, details of which are as follows:

6.1.2.1 Acquisitions

(i) Acquisition of Mega Fortris Europe

On 30 June 2023, our Company has completed the acquisition of the entire issued share capital of Mega Fortris Europe comprising 125,000 ordinary shares from Mega Fortris Global for a purchase consideration of RM14,536,221.00. The purchase consideration was wholly satisfied via the issuance of 14,536,221 new Shares at RM1.00 per Share, in the following manner:

Vendor	Shareholdings in Mega Fortris Europe before Pre-IPO Reorganisation		Consideration	
	No. of shares	%	RM	No. of new Shares
Mega Fortris Global	125,000	100.00	14,536,221	14,536,221

The purchase consideration for the new Shares was arrived at after taking into account the NA of Mega Fortris Europe and its group of companies as at 30 June 2022 amounting to RM14,536,221.00.

(ii) Acquisition of Mega Fortris Americas

On 30 June 2023, our Company has completed the acquisition of the entire issued share capital of Mega Fortris Americas comprising 2,000 ordinary shares from Mega Fortris Global for a purchase consideration of USD3,421,444.00 (equivalent to RM15,762,593.00). The purchase consideration was wholly satisfied via the issuance of 15,762,593 new Shares at RM1.00 per Share, in the following manner:

Vendor	Shareholdings in Mega Fortris Americas before Pre-IPO Reorganisation		Consideration	
	No. of shares	%	USD	No. of new Shares
Mega Fortris Global	2,000	100.00	3,421,444	15,762,593

The purchase consideration for the new Shares was arrived at after taking into account the audited NA of Mega Fortris Americas as at 30 June 2022 amounting to USD3,421,440.00 (equivalent to RM15,762,593.00).

6. INFORMATION ON OUR GROUP

(iii) Acquisition of Mega Fortris AUS

On 30 June 2023, our Company completed the acquisition of 75.00% of the issued share capital of Mega Fortris AUS comprising 75 ordinary shares from Mega Fortris Global for a purchase consideration of AUD681,429.00 (equivalent to RM2,045,445.00). The purchase consideration was wholly satisfied via the issuance of 2,045,445 new Shares at RM1.00 per Share, in the following manner:

Vendor	Shareholdings in Mega Fortris AUS before Pre-IPO Reorganisation		Consideration	
	No. of shares	%	AUD	No. of new Shares
Mega Fortris Global	75	75.00	681,429	2,045,445

The purchase consideration for the new Shares was arrived at after taking into account the audited NA of Mega Fortris AUS as at 30 June 2022 amounting to AUD908,572.00 (equivalent to RM2,727,260.00).

(iv) Acquisition of Mega Fortris NZ

On 30 June 2023, our Company has completed the acquisition of 75.00% of the issued share capital of Mega Fortris NZ comprising 10,000 ordinary shares from Mega Fortris Global for a purchase consideration of NZD491,224.00 (equivalent to RM1,367,715.00). The purchase consideration was wholly satisfied via the issuance of 1,367,715 new Shares at RM1.00 per Share, in the following manner:

Vendor	Shareholdings in Mega Fortris NZ before Pre-IPO Reorganisation		Consideration	
	No. of shares	%	NZD	No. of new Shares
Mega Fortris Global	10,000	75.00	491,224	1,367,715

The purchase consideration for the new Shares was arrived at after taking into account the audited NA of Mega Fortris NZ as at 30 June 2022 amounting to NZD654,965.00 (equivalent to RM1,823,620.00).

The Acquisitions were completed on 30 June 2023. Thereafter, Mega Fortris Europe (together with its subsidiaries), Mega Fortris Americas, Mega Fortris AUS and Mega Fortris NZ became our subsidiaries. With the completion of the Acquisitions, we have 17 subsidiaries, details of which are set out in Section 6.3 of this Prospectus.

6. INFORMATION ON OUR GROUP

6.1.2.2 Acquisitions of Mega Fortris Security Bags' Minority Interests

On 11 October 2023, our Company has completed the acquisition of:

- (i) 33.71% issued share capital of Mega Fortris Security Bags comprising 1,180,000 ordinary shares from Dato' Nick Ng for a cash consideration of RM1,021,648.99; and
- (ii) 3.43% issued share capital of Mega Fortris Security Bags comprising 120,000 ordinary shares from Datuk Adrian Ng for a cash consideration of RM103,953.01.

The total purchase consideration was settled via cash. The purchase consideration for the Acquisitions of Mega Fortris Security Bags' Minority Interests was arrived at after taking into account the valuation of the 100.00% equity interest of Mega Fortris Security Bags of RM3.03 million as at 31 December 2022, as ascribed by an independent valuer (which holds a capital markets services licence issued by the SC) in its valuation report dated 29 September 2023.

Thereafter, Mega Fortris Security Bags became our Company's wholly-owned subsidiary.

6.1.2.3 Share Split

On 13 October 2023, our Company had completed the subdivision of one existing Share into 30 new Shares. After the Share Split, our Company has 1,045,649,220 Shares in issue and the shareholding structure of our Company before and after the Share Split is as follows:

	Before the Proposed Share Split		After the Proposed Share Split	
	No. of shares	%	No. of shares	%
Mega Fortris	34,854,974	100.00	1,045,649,220	100.00

The Share Split had not resulted in any changes to the value of our Company's issued share capital.

6.1.2.4 Share Consolidation

On 26 January 2024, our Company had completed the consolidation of three existing Shares into two new consolidated Shares. After the Share Consolidation, our Company has 697,099,480 Shares in issue and the shareholding structure of our Company before and after the Share Consolidation is as follows:

	Before the Share Consolidation		After the Share Consolidation	
	No. of shares	%	No. of shares	%
Mega Fortris	1,045,649,220	100.00	697,099,480	100.00

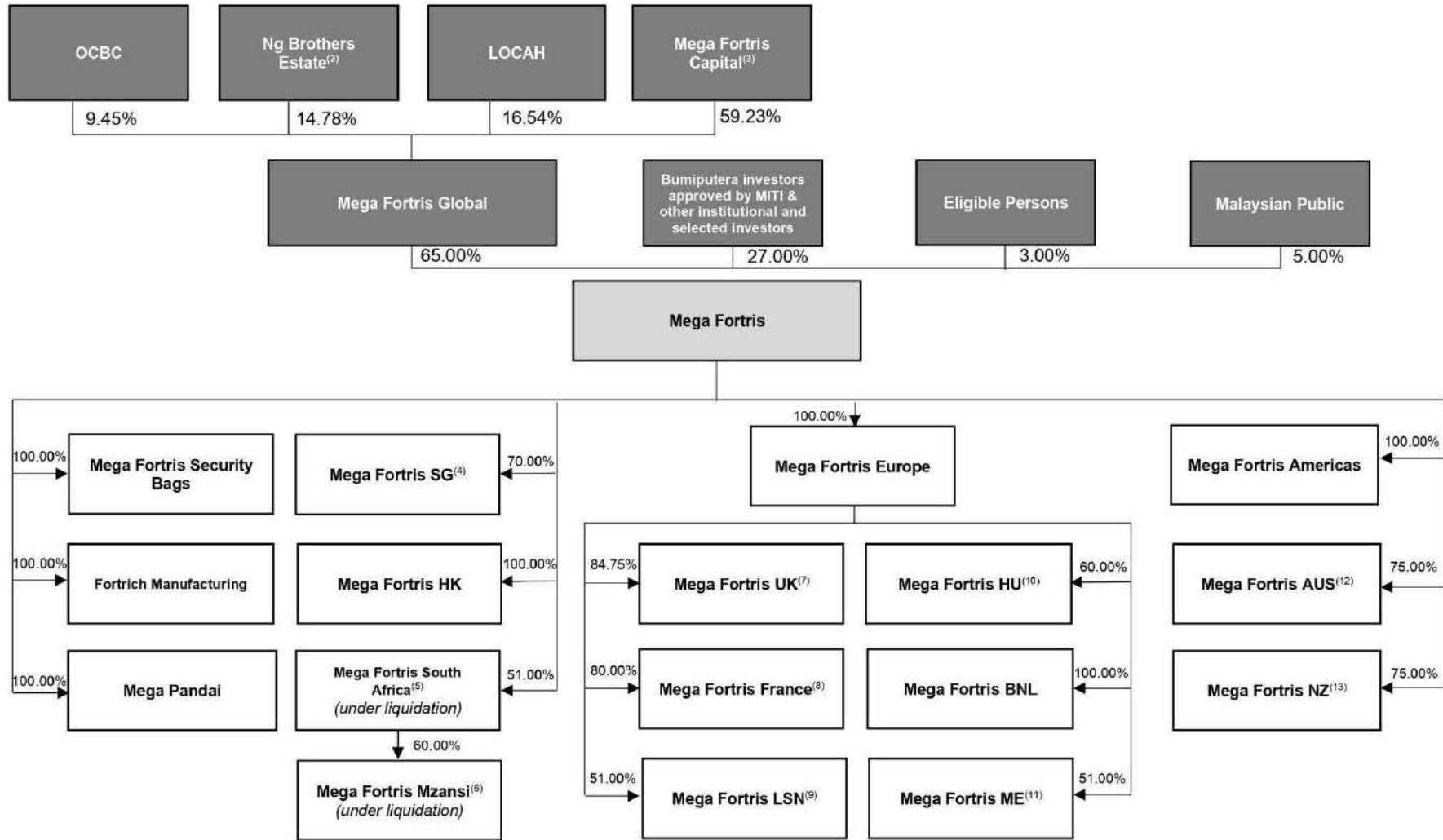
The Share Consolidation had not resulted in any changes to the value of our Company's issued share capital.

6. INFORMATION ON OUR GROUP

- (2) Owned by Dato' Nick Ng (50.00%) and Datuk Adrian Ng (50.00%).
- (3) On 4 February 2024, Mega Fortris Capital and Ng Brothers Estate have signed a letter of undertaking with LOCAH and OCBC to swap their entire shareholding in Mega Fortris Global with our Shares held by Mega Fortris Global after the Moratorium Period, subject to receipt of written notice by LOCAH and OCBC to implement the swapping of shares. Please refer to Section 5.1.3 of this Prospectus for further details.
- (4) Owned by Dato' Nick Ng (69.20%), Datuk Adrian Ng (25.00%), Jor-Hol International Aps (2.42%) and Ole Fast (3.38%). Jor-Hol International Aps is owned by Mette Jordon Holmelund (50.00%) and Claus Vaupell Holmelund (50.00%).
- (5) Owned by Mega Fortris (70.00%) and Chua Sia Hong (30.00%).
- (6) Owned by Mega Fortris (50.00%), Ng Chee Keong (1.00%), Great Dane Investment Holdings Pty Ltd (25.00%), HT Electronic Concepts CC (15.00%) and JMDR Investments (Pty) Ltd (9.00%). There is a deed of trust dated 2 December 2013 between Ng Chee Keong and Mega Fortris (as beneficiary), whereby Ng Chee Keong shall hold 1.00% of Mega Fortris South Africa's paid-up capital on trust for Mega Fortris. As at the LPD, Mega Fortris South Africa is in the process of deregistration. Please refer to Section 15.7.2 of this Prospectus for further details on the deregistration process of Mega Fortris South Africa.
- (7) Owned by Mega Fortris South Africa (60.00%), Tswelelo Marcia Kodisang (30.00%) and Allesandro Basso (10.00%). As at the LPD, Mega Fortris Mzansi is in the process of deregistration. Please refer to Section 15.7.2 of this Prospectus for further details on the deregistration process of Mega Fortris Mzansi.
- (8) Owned by Mega Fortris Europe (84.75%), Keith Henry Edgar (11.86%), and OEM SERV Hong Kong Limited (3.39%). OEM SERV Hong Kong Limited is owned by Horst Dieter Belle (100.00%).
- (9) Owned by Mega Fortris Europe (80.00%) and Julien Taillez (20.00%).
- (10) Owned by Mega Fortris Europe (51.00%), Horst Dieter Belle (25.00%) and Reach Invest AB (24.00%). Reach Invest AB is owned by Kent Rickard Nilsson (100.00%).
- (11) Owned by Mega Fortris Europe (60.00%) and Péter János Noth (40.00%).
- (12) Owned by Mega Fortris Europe (51.00%), Horst Dieter Belle (29.00%), Alessio Verolli (12.00%) and Mark William Gordon (8.00%).
- (13) Owned by Mega Fortris (75.00%) and Michael Steven Taylor (25.00%).
- (14) Owned by Mega Fortris (75.00%) and Glen Lindsay Moore (25.00%).

6. INFORMATION ON OUR GROUP

6.2.1 After our IPO ⁽¹⁾



6. INFORMATION ON OUR GROUP

Notes:

- (1) Based on the enlarged total number of 844,972,480 Shares after our IPO and assuming full subscription of the 25,350,000 Issue Shares under the Retail Offering which have been reserved for the Eligible Persons.
- (2) Please refer to Notes (2) and (3) of Section 6.2.1 above.
- (3) Please refer to Note (4) of Section 6.2.1 above.
- (4) Please refer to Note (5) of Section 6.2.1 above.
- (5) Please refer to Note (6) of Section 6.2.1 above.
- (6) Please refer to Note (7) of Section 6.2.1 above.
- (7) Please refer to Note (8) of Section 6.2.1 above.
- (8) Please refer to Note (9) of Section 6.2.1 above.
- (9) Please refer to Note (10) of Section 6.2.1 above.
- (10) Please refer to Note (11) of Section 6.2.1 above.
- (11) Please refer to Note (12) of Section 6.2.1 above.
- (12) Please refer to Note (13) of Section 6.2.1 above.
- (13) Please refer to Note (14) of Section 6.2.1 above.

6. INFORMATION ON OUR GROUP

6.3 OUR SUBSIDIARIES

Our Subsidiaries as at the LPD are as follows:

Company name	Registration No.	Date of incorporation	Principal place of business / Country of incorporation	Principal activities	Equity interest (%)
Mega Fortris Europe	26574315	14 April 2002	Hørsholm, Hovedstaden / Denmark	Trading of security seals and tamper evident products	100.00
Mega Fortris Americas	0100906973	26 June 2003	South Brunswick, New Jersey / United States of America	Trading of security seals and tamper evident products	100.00
Mega Fortris AUS	118019837	24 January 2006	Mona Vale, New South Wales / Australia	Trading of security products	75.00
Mega Fortris NZ	274140	10 June 1985	Takanini, Auckland / New Zealand	Wholesale of security seals	75.00
Mega Fortris SG	200103655R	1 June 2001	Woodlands, Singapore / Singapore	Trading of security seals and tamper evident products	70.00
Mega Fortris HK	735439	23 October 2000	New Territories, Hong Kong / China	Trading of security seals and tamper evident products	100.00
Fortrich Manufacturing	200101022456 (558214-U)	6 September 2001	Shah Alam, Selangor / Malaysia	Manufacturing of tool and die	100.00
Mega Fortris Security Bags	200201003636 (571299-U)	11 February 2002	Shah Alam, Selangor / Malaysia	Manufacturing and trading of security bags	100.00
Mega Pandai	201901033203 (1342533-W)	17 September 2019	Shah Alam, Selangor / Malaysia	Manufacturing and printing of paper-based products	100.00

6. INFORMATION ON OUR GROUP

<u>Company name</u>	<u>Registration No.</u>	<u>Date of incorporation</u>	<u>Principal place of business / Country of incorporation</u>	<u>Principal activities</u>	<u>Equity interest (%)</u>
Mega Fortris South Africa	2013/223973/07	2 December 2013	Centurion, Gauteng / South Africa	Previously principally involved in the trading of security seals and tamper evident products. The company is in the process of deregistration.	51.00 ⁽¹⁾
<u>Subsidiaries of Mega Fortris Europe</u>					
Mega Fortris UK	03303919	17 January 1997	Burntwood, Staffordshire / United Kingdom	Trading of security seals, tamper evident products and load securement products	84.75
Mega Fortris HU	01-09-735171	1 January 2005	Fehérvári, Budapest / Hungary	Trading of security seals and tamper evident products	60.00
Mega Fortris France	488301193	31 January 2006	Fretin, Nord / France	Trading of security seals and tamper evident products	80.00
Mega Fortris ME	DSO-FZCO-CF-200	2 February 2012	Dubai Silicon Oasis, Nadd Hessa / United Arab Emirates	Trading of packing and packaging materials and packing and packaging equipment	51.00
Mega Fortris LSN	36687215	9 March 2015	Hørsholm, Hovedstaden / Denmark	Previously principally involved in the trading of security seals and tamper evident products. The company has ceased business since 1 July 2023.	51.00
Mega Fortris BNL	74045164	15 February 2019	Rijnsburg, South Holland / The Netherlands	Trading of security seals and tamper evident products	100.00

6. INFORMATION ON OUR GROUP

<u>Company name</u>	<u>Registration No.</u>	<u>Date of incorporation</u>	<u>Principal place of business / Country of incorporation</u>	<u>Principal activities</u>	<u>Equity interest (%)</u>
<u>Subsidiary of Mega Fortris South Africa</u>					
Mega Fortris Mzansi	2016/110814/07	22 March 2016	Centurion, Gauteng / South Africa	Previously principally involved in the trading of security seals and tamper evident products. The company is in the process of deregistration.	60.00

Note:

- (1) Owned by Mega Fortris (50.00%), Ng Chee Keong (1.00%), Great Dane Investment Holdings Pty Ltd (25.00%), HT Electronic Concepts CC (15.00%) and JMDR Investments (Pty) Ltd (9.00%). There is a deed of trust dated 2 December 2013 between Ng Chee Keong and Mega Fortris (as beneficiary), whereby Ng Chee Keong shall hold 1.00% of Mega Fortris South Africa's paid-up capital on trust for Mega Fortris. As at the LPD, Mega Fortris South Africa is in the process of deregistration. Please refer to Section 15.7.2 of this Prospectus for further details on the deregistration process of Mega Fortris South Africa.

6. INFORMATION ON OUR GROUP

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

6.3.1 Mega Fortris Europe

Mega Fortris Europe was incorporated in Denmark on 14 April 2002 as a private limited company under its present name and registered under the laws of Denmark. The issued share capital of Mega Fortris Europe as at the LPD is DKK125,000.00 comprising 125,000 ordinary shares. There were no changes in the issued share capital of Mega Fortris Europe for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris Europe does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies, save for Mega Fortris UK, Mega Fortris HU, Mega Fortris France, Mega Fortris ME, Mega Fortris LSN and Mega Fortris BNL.

6.3.2 Mega Fortris Americas

Mega Fortris Americas was incorporated in the state of New Jersey, United States of America on 26 June 2003 as a corporation under the name of Mega Fortris Marketing, Inc. and registered under the laws of the state of New Jersey, United States of America. The issued share capital of Mega Fortris Americas as at the LPD is USD10,000 comprising 2,000 ordinary shares. There were changes in the issued share capital of Mega Fortris Americas for the past three years up and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris Americas does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.3 Mega Fortris AUS

Mega Fortris AUS was incorporated in Australia on 24 January 2006 as a private limited company under its present name and registered under the laws of Australia. The issued share capital of Mega Fortris AUS as at the LPD is AUD100.00 comprising 100 ordinary shares. There were no changes in the issued share capital of Mega Fortris AUS for the past three years up to the LPD and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris AUS does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.4 Mega Fortris NZ

Mega Fortris NZ was incorporated in New Zealand on 10 June 1985 as a limited liability company under the name of Secure Equip Limited and registered under the laws of New Zealand. The issued share capital of Mega Fortris NZ as at the LPD is NZD 61,812 comprising 13,333 ordinary shares. There were no changes in the issued share capital of Mega Fortris NZ for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris NZ does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6. INFORMATION ON OUR GROUP

6.3.5 Mega Fortris SG

Mega Fortris SG was incorporated in Singapore on 1 June 2001 as a private company limited by shares under its present name and registered under the laws of Singapore. The issued share capital of Mega Fortris SG as at the LPD is SGD10.00 comprising 10 ordinary shares. There were no changes in the issued share capital of Mega Fortris SG for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris SG does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.6 Mega Fortris HK

Mega Fortris HK was incorporated in Hong Kong on 23 October 2000 as a private company limited by shares under its present name and registered under the laws of Hong Kong. The issued share capital of Mega Fortris HK as at the LPD is HKD500,000.00 comprising 500,000 ordinary shares. Save as disclosed below, there were no changes in the issued share capital of Mega Fortris HK for the past three years and from 1 July 2024 up to the LPD:

<u>Date of allotment</u>	<u>No. of shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>
2 May 2024	495,000	Capitalisation of debt	HKD500,000

As at the LPD, Mega Fortris HK does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.7 Fortrich Manufacturing

Fortrich Manufacturing was incorporated in Malaysia under the Companies Act 1965 on 6 September 2001 as a private limited company under the name of My Seal (Malaysia) Sdn Bhd and is deemed registered under the Act. On 27 August 2015, it changed and assumed its present name. The issued share capital of Fortrich Manufacturing as at the LPD is RM100,000.00 comprising 100,000 ordinary shares. There were no changes in the issued share capital of Fortrich Manufacturing for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Fortrich Manufacturing does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.8 Mega Fortris Security Bags

Mega Fortris Security Bags was incorporated in Malaysia under the Companies Act 1965 on 11 February 2002 as a private limited company under the name of IISS Secure (M) Sdn Bhd and is deemed registered under the Act. On 21 October 2003, it changed its name to Fortris Solutions (Malaysia) Sdn Bhd and subsequently, changed its name to Mega Rollspack (Malaysia) Sdn Bhd on 19 January 2006. On 27 March 2009, it changed and assumed its present name. The issued share capital of Mega Fortris Security Bags as at the LPD is RM3,500,000.00 comprising 3,500,000 ordinary shares. There were no changes in the issued share capital of Mega Fortris Security Bags for the past three years and from 1 July 2024 up to the LPD.

6. INFORMATION ON OUR GROUP

As at the LPD, Mega Fortris Security Bags does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.9 Mega Pandai

Mega Pandai was incorporated in Malaysia under the Act on 17 September 2019 as a private limited company under its present name. The issued share capital of Mega Pandai as at the LPD is RM5,000,000.00 comprising 5,000,000 ordinary shares. Save as disclosed below, there were no changes in the issued share capital of Mega Pandai for the past three years and from 1 July 2024 up to the LPD:

<u>Date of allotment</u>	<u>No. of shares</u>	<u>Consideration</u>	<u>Cumulative issued share capital</u>
10 May 2024	4,999,900	Cash	RM5,000,000.00

As at the LPD, Mega Pandai does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.10 Mega Fortris South Africa

Mega Fortris South Africa was incorporated in South Africa on 2 December 2013 as a private company (proprietary limited) under its present name and registered under the laws of South Africa. As at the LPD, Mega Fortris South Africa is in the process of deregistration. Please refer to Section 15.7.2 of this Prospectus for further details on the deregistration process of Mega Fortris South Africa.

The issued share capital of Mega Fortris South Africa as at the LPD is ZAR100,000.00 comprising 100 ordinary shares. There were no changes in the issued share capital of Mega Fortris South Africa for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris South Africa does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies, save for Mega Fortris Mzansi.

6.3.11 Mega Fortris UK

Mega Fortris UK was incorporated in England on 17 January 1997 as a private limited company under the name of No. 289 Leicester Limited and registered under the laws of England and Wales. The issued share capital of Mega Fortris UK as at the LPD is GBP118.00 comprising 118 ordinary shares. There were no changes in the issued share capital of Mega Fortris UK for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris UK does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6. INFORMATION ON OUR GROUP

6.3.12 Mega Fortris HU

Mega Fortris HU was incorporated in Hungary on 1 January 2005 as a limited liability company under its present name and registered under the laws of Hungary. The issued share capital of Mega Fortris HU as at the LPD is HUF5,000,000.00 comprising two business shares / quotas. There were no changes in the issued share capital of Mega Fortris HU for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris HU does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.13 Mega Fortris France

Mega Fortris France was incorporated in France on 31 January 2006 as a limited liability company under its present name and registered under the laws of France. The issued share capital of Mega Fortris France as at the LPD is EUR30,000.00 comprising 500 ordinary shares. There were no changes in the issued share capital of Mega Fortris France for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris France does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.14 Mega Fortris ME

Mega Fortris ME was incorporated in Dubai Silicon Oasis in the United Arab Emirates on 2 February 2012 as a freezone company with limited liability under its present name and registered under the laws and regulations of the United Arab Emirates. The issued share capital of Mega Fortris ME as at the LPD is AED100,000.00 comprising 100 ordinary shares. There were no changes in the issued share capital of Mega Fortris ME for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris ME does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.15 Mega Fortris LSN

Mega Fortris LSN was incorporated in Denmark on 9 March 2015 as a private limited company under its present name and registered under the laws of Denmark. Mega Fortris LSN has ceased business since 1 July 2023. The issued share capital of Mega Fortris LSN as at the LPD is DKK 50,000.00 comprising 50,000 ordinary shares. There were no changes in the issued share capital of Mega Fortris LSN for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris LSN does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6. INFORMATION ON OUR GROUP

6.3.16 Mega Fortris BNL

Mega Fortris BNL was incorporated in the Netherlands on 15 February 2019 as a private limited company under its present name and registered under the laws of Netherlands. The issued share capital of Mega Fortris BNL as at the LPD is EUR1.00 comprising 100 ordinary shares. There were no changes in the issued share capital of Mega Fortris BNL for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris BNL does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.3.17 Mega Fortris Mzansi

Mega Fortris Mzansi was incorporated in South Africa on 22 March 2016 as a private company (proprietary limited) under its present name and registered under the laws of South Africa. As at the LPD, Mega Fortris Mzansi is in the process of deregistration. Please refer to Section 15.7.2 of this Prospectus for further details on the deregistration process of Mega Fortris Mzansi.

The issued share capital of Mega Fortris Mzansi as at the LPD is ZAR1,000.00 comprising 1,000 ordinary shares. There were no changes in the issued share capital of Mega Fortris Mzansi for the past three years and from 1 July 2024 up to the LPD.

As at the LPD, Mega Fortris Mzansi does not have:

- (i) any outstanding warrants, options, convertible securities and uncalled capital; and
- (ii) any other subsidiaries, joint ventures and/or associated companies.

6.4 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, there has been:

- (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.

7. BUSINESS OVERVIEW

7.1 BUSINESS HISTORY AND MILESTONES

The history of our business can be traced back to the incorporation of Fortris Malaysia on 25 May 1995 by our current Promoter and our Group Managing Director cum Group CEO, Datuk Adrian Ng as well as two other individuals, Low Lai Peng (the spouse of Dato' Nick Ng, our Promoter and Non-Independent Non-Executive Chairman) and Ng Meng Tatt. Datuk Adrian Ng, Dato' Nick Ng and Ng Meng Tatt are siblings. The company was incorporated in 1995 with the intention to carry out the trading of beverage products, but decided not to proceed in 1996. Fortris Malaysia ventured into trading of security seals in 1996 and manufacturing of security seals in the second half of 1997.

As part of management's intention to expand its security seal business operations, in 2000, Fortris Malaysia went into a joint-venture arrangement with our Company which is involved in the manufacturing of security seals to merge the security seal businesses of the two companies. Our Company was previously known as Bloxwich Security Products Sdn Bhd, an indirect wholly-owned subsidiary of Mega First Corporation Berhad (a company listed on the Main Market of Bursa Securities). Upon the completion of the Asset Transfer in 2001, we undertook the manufacturing of plastic seals in Shah Alam, Selangor before the relocation to our existing security seals production facility in No. 29 Property at Kota Kemuning, Shah Alam, Selangor in 2011.

Pursuant to the joint-venture arrangement, Dato' Nick Ng (24.50%) and Ng Weng Choi (24.50%) collectively held 49.0% equity interest in our Company, while the remaining 51.0% of equity interest was held by Mega First Corporation Berhad, a public company listed on the Main Market of Bursa Securities, through its wholly owned subsidiaries, namely Mega First Engineering Sdn Bhd (50.00%) and Mega First Corporate Services Sdn Bhd (1.00%) in 2001. Dato' Nick Ng was appointed as the Director of our Company in 2001 where he was responsible for the overall business expansion and revenue growth. In 2001, Datuk Adrian Ng was appointed as Director of our Company where he assisted in the expansion and growth of the company's UK and Europe markets.

In 2006, Dato' Nick Ng acquired the remaining 51.00% of the equity interest of Mega Fortris from Mega First Engineering Sdn Bhd and Mega First Corporate Services Sdn Bhd for a total cash consideration of RM1.40 million. Pursuant to the completion of acquisitions in 2006, Dato' Nick held 75.50% of the equity interest while Ng Weng Choi held the remaining 24.50% equity interest in our Company. In 2006, our Company's security seal business covered the operations in Malaysia and other foreign countries including Singapore, the UK, Denmark, and the USA. In 2011, Datuk Adrian Ng acquired a 20.00% equity interest in our Company from Dato' Nick Ng.

There were several shareholding restructuring exercises involving the disposal of shares in our Company by Dr Nick Ng, Datuk Adrian Ng and Ng Weng Choi to a few shareholders who were mainly business partners, to explore business expansion of our Company in Malaysia and other foreign countries between 2007 and 2017. Subsequently in 2018, Mega Fortris Global acquired 100.00% equity interest in our Company.

In 2019, three foreign investors from Singapore acquired a collective 40.77% of the equity interest of Mega Fortris Global including LOCAH (16.54%), EDBI (14.78%) and OCBC (9.45%), while the remaining 59.23% equity interest was held by Mega Fortris Capital. In January 2024, Datuk Adrian Ng and Dato' Nick Ng acquired the 14.78% equity interest held by EDBI in Mega Fortris Global through Ng Brothers Estate. Please refer to Section 5.1.2 (iv) of this Prospectus for further details of the acquisition of EDBI's equity interest in Mega Fortris Global by Ng Brothers Estate. Following thereto, the shareholders of Mega Fortris Global comprises Mega Fortris Capital (59.20%), Ng Brothers Estate (14.78%), LOCAH (16.54%) and OCBC (9.45%). Please refer to Section 6.2 of this Prospectus for further details of our Group structure.

7. BUSINESS OVERVIEW

The key events and milestones in the history and development of our Group are set out below:

Year	Key Events and Milestones
2000	<p>As part of management's intention to expand its security seal business operations, Fortris Malaysia went into a joint-venture arrangement with us to merge the security seal businesses of the two companies. Our Company was initially involved in trading of cable seals. We acquired the assets from Fortris Malaysia pursuant to the Asset Transfer.</p> <p>Upon the completion of the Asset Transfer in 2001, we commenced the manufacturing of plastic seals in Shah Alam, Selangor. Since then, we progressively expanded our production facilities up to a total of 39 injection moulding machines with a total capacity of approximately 551 million pieces of security seals (excluding security bags) per year as at 30 June 2024.</p> <p>We acquired 30.0% equity interests in Mega Fortris HK ⁽¹⁾ in 2000 and subsequently increased our equity interest to 70.0% in 2003. Mega Fortris HK is involved in the sales of security seals in the Hong Kong market. As at the LPD, Mega Fortris HK is located in Hong Kong.</p>
2001	<p>Incorporation of Mega Fortris SG ⁽²⁾ in Singapore in 2001. Mega Fortris SG is involved in the sales of security seals in the same year to the Singaporean market. As at LPD, Mega Fortris SG's office is located in Singapore.</p>
2002	<p>As part of our geographical expansion plans, we expanded our business operations to Europe through the following:</p> <ul style="list-style-type: none"> (i) incorporation of Mega Fortris Europe ⁽³⁾ in Denmark in 2002. Mega Fortris Europe is involved in the sales of security seals to Europe markets. As at LPD, our office is located in Denmark. (ii) acquisition of 100.0% equity interest in Mega Fortris UK ⁽⁴⁾ in the UK. Mega Fortris UK is involved in the supply of security seals and related products such as load securement products in the UK. As at the LPD, Mega Fortris UK's office (with storage facility) is located in the UK.
2003	<p>We expanded our business to the Americas through the incorporation of Mega Fortris Americas ⁽⁵⁾ in 2003. In 2004, Mega Fortris Americas commenced its business in the supply of security seals and related products in the 2004 to the America market. As at LPD, Mega Fortris Americas' office (with storage facility) is located in the USA.</p>
2005	<p>We expanded our operations to Hungary through the incorporation of Mega Fortris HU ⁽⁶⁾. In 2005, Mega Fortris HU commenced its business in the sales of security seals in the Europe region. As at the LPD, Mega Fortris HU's office (with storage facility) is located in Hungary.</p>
2006	<p>We continued to expand our operations in Europe, where we incorporated Mega Fortris France ⁽⁷⁾ in December 2005. In 2006, Mega Fortris France commenced its business in the sales of security seals to the Europe market. As at LPD, Mega Fortris France's sales office is located in France.</p>

7. BUSINESS OVERVIEW

Year	Key Events and Milestones
	<p>In 2006, our Promoter, Dato' Nick Ng acquired the remaining 51.00% equity interest in our Company from Mega First Engineering Sdn Bhd and Mega First Corporate Services Sdn Bhd.</p> <p>Mega Fortris Security Bags ⁽⁸⁾ commenced the trading and converting of security bags in 2006. Before 2006, the company was dormant. In 2012, it invested in printing facilities for security bags. The production facilities of Mega Fortris Security Bags was located in Shah Alam Technology Park before it was relocated to the No. 56 Property.</p>
2008	We started to supply in-house manufactured security box to a customer in Macao.
2011	We relocated our security seals manufacturing operations as well as trading and converting of security bags operations to our existing production facility at Kota Kemuning, Shah Alam, Selangor.
2012	We expanded our operations to the Middle East and incorporated Mega Fortris ME ⁽⁹⁾ in 2012 which commenced the sales of security seals and related products to the Middle East markets in the same year of 2012. As at LPD, Mega Fortris ME's sales office is located in UAE.
2015	We expanded our operations in Europe and incorporated Mega Fortris LSN ⁽¹⁰⁾ in 2015 which commenced sales of security seals and load securement products. To streamline the business operations in Europe, Mega Fortris LSN ceased its business activity in July 2023 and our subsidiary Mega Fortris Europe took over Mega Fortris LSN's business to continue to serve the Sweden market.
2018	We acquired 100% equity interest in Fortrich Manufacturing from two individuals in 2018 for it to become our wholly-owned subsidiary. The acquisition of Fortrich Manufacturing represented a vertical integration to our Group's operation as the company is involved in die-casting manufacturing and fabrication, repair and maintenance of moulds, which are required for our plastic injection moulding operations. The production facilities of Fortrich Manufacturing were then located in Kepong, Kuala Lumpur, before it was relocated to our current production facility at the No.29 Property in April of 2023. In the same year, we ceased the die-casting manufacturing activity as it was no longer economically viable to maintain the manufacturing activity of die-casting. As at the LPD, the principal activity of Fortrich Manufacturing is manufacturing of tool and die.
2018	We expanded our operations to New Zealand and acquired Mega Fortris NZ ⁽¹¹⁾ in 2018, for the sales of our security seals in the New Zealand market. As at the LPD, Mega Fortris NZ's office (with storage facility) is located in New Zealand.
2019	We expanded our operations to Netherlands and incorporated Mega Fortris BNL ⁽¹²⁾ which commenced its business in the same year in 2019. As at LPD, Mega Fortris BNL's office is located in the Netherlands and the company is mainly involved the sales of our security seals in the Europe market.

7. BUSINESS OVERVIEW

Year	Key Events and Milestones
	We expanded our operations to Australia through the acquisition of Mega Fortris AUS ⁽¹³⁾ in 2019. As at the LPD, Mega Fortris AUS' office (with storage facility) is located in Australia and the company is mainly involved in the sales of our security seals in Australia.
2023	<p>As part of our reorganisation and restructuring exercise, we acquired:</p> <p>(i) the entire equity interest of Mega Fortris Europe and Mega Fortris Americas, and 75% equity interest of Mega Fortris NZ and Mega Fortris AUS, from Mega Fortris Global in June 2023; and</p> <p>(ii) the remaining minority interest of Mega Fortris Security Bags from Dato' Nick Ng and Datuk Adrian Ng in October 2023.</p> <p>Please refer to Section 6.1.2.1 and Section 6.1.2.2 of this Prospectus for further details of the Acquisitions and the Acquisitions of Mega Fortris Security Bags' Minority Interests, respectively.</p>

Notes:

- (1) Mega Fortris HK became a subsidiary of our Group when we increased our equity interest in the company from 30.00% in 2000 to 70.00% in 2003. As at the LPD, Mega Fortris HK is our wholly-owned subsidiary.
- (2) We acquired 70.00% of the equity interest in Mega Fortris SG in June 2001.
- (3) Mega Fortris Europe was initially held by our Company (65.00%), Fast Holding Aps (32.50%) and an individual, namely Fleming Rikard Petersen (2.50%) in 2002. Mega Fortris Europe had undergone several shareholdings restructuring exercises before it was fully held by Mega Fortris Global in 2019. As at the LPD, Mega Fortris Europe is our wholly-owned subsidiary.
- (4) In 1998, Fortris Malaysia acquired 50.00% equity interest in Mega Fortris UK and the remaining 50.00% equity interest were held by Cornwell Industries Limited, a company in the UK. In 2002, we acquired 100% equity interest in Mega Fortris UK from Fortris Malaysia and subsequently changed its name to its current name. As at the LPD, Mega Fortris UK is our 84.8%-owned subsidiary while the remaining 15.2% is collectively held by an individual, Keith Henry Edgar (11.8%) and Oemserve (Hong Kong) Ltd (3.40%).
- (5) Mega Fortris Americas was incorporated in 2003. In 2014, Mega Fortris Americas changed its name to its current name. As at the LPD, Mega Fortris Americas is our wholly-owned subsidiary.
- (6) Mega Fortris HU was incorporated in 2005 which was then held by Mega Fortris Europe (60.0%) and an individual, namely Peter Janos Noth (40.0%). No transfer of shares has taken place since the incorporation of the company on 1 January 2005.
- (7) Mega Fortris France was incorporated in 2005 which was then held by Mega Fortris Europe (60.0%) and an individual, namely Christian Taillez (40.0%). Subsequently Mega Fortris Europe increased its equity interest in Mega Fortris France to 80.0% in 2013. As at the LPD, Mega Fortris France is our 80%-owned subsidiary while the remaining 20% equity interest is held by Julien Taillez.

7. BUSINESS OVERVIEW

- (8) Mega Fortris Security Bags was then held by Dato Nick Ng (99.99%) and Datuk Adrian Ng (0.01%). In 2006, it commenced the trading and converting of security bags. In October 2023, we acquired the remaining minority interest of Mega Fortris Security Bags from Dato' Nick Ng and Datuk Adrian Ng. As at the LPD, Mega Fortris Security Bags is our wholly-owned subsidiary.
- (9) Mega Fortris ME was incorporated in 2012 which was then held by three individuals namely, Ole Fast (50.0%), Horst Dieter Belle (30.0%) and Mark William Gordon (20.0%). As at the LPD, Mega Fortris ME is Mega Fortris Europe's 51%-owned subsidiary while the remaining 49.0% equity interests are held by Horst Dieter Belle (29.0%), Alessio Verolli (12.0%) and Mark William Gordon (8.0%).
- (10) Mega Fortris LSN was incorporated in 2015 and held by Mega Fortris Europe (51.00%), Reach Invest AB (24.0%) and Horst Dieter Belle (25.0%).
- (11) Mega Fortris NZ was collectively acquired by our promoters (75.0%), Dato' Nick Ng and Datuk Adrian Ng in 2018 and the remaining 25.0% equity interest was held by an individual, namely Glen Lindsay Moore. In the same year during 2018, Mega Fortris Global acquired the 75.00% equity interest from Dato' Nick Ng and Datuk Adrian Ng. As at LPD, Mega Fortris NZ is our 75.0% owned subsidiary and the remaining 25.0% equity interest is held by Glen Lindsay Moore.
- (12) Mega Fortris BNL was incorporated in 2019 as wholly-owned by Mega Fortris Europe.
- (13) Mega Fortris AUS was incorporated in 2006 and was then held by one individual namely, Phillip Owen Rolls (100%). Mega Fortris Global acquired 75.0% of equity interest in Mega Fortris AUS in 2019. As at LPD, Mega Fortris AUS is our 75.0%-owned subsidiary, while the remaining 25.0% equity interest in the company is held by Michael Steven Taylor.

7. BUSINESS OVERVIEW

7.2 AWARDS AND RECOGNITIONS

As at the LPD, we have obtained the following awards and recognitions:

Year	Key awards and recognitions	Awarding party
2024	Winner of Junior Chamber International Malaysia Sustainable Development Award under the project name: Recycle Material Usage Program in Manufacturing Process	Junior Chamber International Bandar Klang
2020	CHT Pursuit of Excellence (Security Seal Manufacturer) Award 2020	CHT Network Sdn Bhd
2019	Asean Outstanding Business Award 2019 – Asean Master Class Award in RFID Security Excellence	Asean Business Advisory Council Malaysia
2018	Certificate of appreciation on business excellence best practice study visit	Malaysia Productivity Corporation
2018	Certificate of appreciation for the contribution in supplying “Stickers Hotline” to Shah Alam police headquarters	Royal Malaysia Police
2017	Sin Chew Business Excellence Awards 2017 for the category below: - Product Excellence Awards - CIMB -Sin Chew Regional Excellence Award	Sin Chew Media Corporation Berhad
2017	Selangor International Business Summit 2017 under the Business Excellence & Innovation Award	Selangor State Government
2017	SME Excellence Award for Business Dynamism	Asean Business Advisory Council Malaysia
2017	Certificate of partnership on business excellence best practice study visit	Malaysia Productivity Corporation
2016-2017	The BrandLaureate SMEs Best Brands’ Award Signature Branding – Manufacturing Security Seals	The World Brands Foundation
2016	Cyber Security Company of the Year	Ministry of Science, Technology and Innovation and Cyber Security Malaysia
2016	Star Outstanding Business Awards 2016 for the categories below: - Malaysian business of the year - Gold for best global market - Gold for best innovation - Silver for best brand - Certificate of merit (above RM25 million and above category) - Most awards won	Star Media Group Berhad

7. BUSINESS OVERVIEW

Year	Key awards and recognitions	Awarding party
2015	Global Performance Excellence Awards under the World Class Large Manufacturing category	Asia Pacific Quality Organisation
2014	Industry Excellence Award 2014 under the Manufacturing Sector Award category	Ministry of Investment, Trade and Industry
2014	Global Performance Excellence Awards under the Best in Class Large Manufacturing Organisation category	Asia Pacific Quality Organisation
2014	MDBC Sustainability Award 2014 under the area below: - Best Business Sustainability by a multinational company - Innovation Pioneer Segment	Malaysian Dutch Business Council (MDBC)
2013	SIRIM Quality Award 2013 (Product)	SIRIM Berhad
2012	Certificate of Merit in recognition of being a Finalist of the FMM Excellence Award 2012	Federation of Malaysian Manufacturers
2012	FMM Excellence Award 2012, Manufacturer of the Year Award – Large Category	Federation of Malaysian Manufacturers

As at the LPD, we have been accredited with the following certifications and management systems:

Certification	Scope	Issuing party	Validity period
ISO 14001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 – June 2025
ISO 9001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 - June 2025
ISO 17712: 2013	Design and manufacturing of security seals	SGS United Kingdom Ltd	June 2024 – June 2025

As at the LPD, we are a member of the following associations:

- (i) International Seal Manufacturers Association (ISMA); and
- (ii) Transported Asset Protection Association (TAPA).

7. BUSINESS OVERVIEW

7.3 OVERVIEW OF OUR BUSINESS

7.3.1 Our business model

Our business model is as follows:



Notes:

- (1) For the FYE 2021, FYE 2022, FYE 2023 and FYE 2024, 80.25%, 78.13%, 76.37% and 73.16% of our total revenue were derived from in-house designed and manufactured security seals respectively. The remaining 19.75%, 21.87%, 23.63%, and 26.84% were derived from externally sourced related products and services from third parties.

7. BUSINESS OVERVIEW

- (2) For the FYE Under Review, it includes mainly plastic seals and small proportion of security boxes for the playing cards.
- (3) Include other tamper-evident products comprising security tapes and labels, other related products (such as (i) security boxes and bags, (ii) TITO tickets, and (iii) UV casino scanner), as well as distribution and maintenance of a playing card security box tracking software system, namely Mega Casino Management System.
- (4) Includes government, companies involved in the provision of security and cash-in-transit activities, public utility, aviation, financial institutions, insurance, healthcare, pharmaceuticals, and packaging sectors.
- (5) As at the LPD, we have operations in Selangor, Malaysia and 11 foreign countries. For the FYE Under Review, the major operating countries were Malaysia, the USA, the UK and Denmark whereby each country accounted for 10.00% or more of our total revenue for at least one of the FYE Under Review.

7.3.2 Business activities and revenue streams

We are specialists in security seals supported by two manufacturing facilities and an office in Selangor, Malaysia, and 11 offices in 11 foreign countries. Our business activities are as follows:

- **Design and manufacturing**

We design and manufacture security seals. Our security seals are designed and manufactured to prevent goods from being tampered and unauthorised access to provide assurance to our customers on the integrity and security of their goods during transportation and storage. We manufacture a range of security seals comprising plastic seals (including security boxes), container seals, cable seals and security bags. Revenue from the sales of our manufactured security seals accounted for 80.25%, 78.13%, 76.37% and 73.16% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

We have the in-house expertise to carry out end-to-end design and manufacturing of security seals including identifying specific needs of target markets and applications, product conceptualisation, design and prototyping, and manufacturing. Our design concepts are translated into detailed engineering specifications and we create prototypes using 3D printing to test product dimension, functionality and usability. This is supported by our product development team to innovate on seal designs to incorporate security features and tamper-evident mechanisms. In addition, the design also takes into consideration the durability of usage and ability to withstand challenging environmental conditions to minimise accidental damage or tampering during transportation and storage.

Our manufacturing facilities in Selangor, Malaysia are equipped with horizontal and vertical injection moulding machines supported by in-house tooling capabilities for the fabrication of moulds, laser marking facilities and manual assembly for certain products. As at the LPD, our annual production capacity of security seals (excluding security bags) is approximately 551 million pieces per year.

We have security seals that comply with ISO 17712 standards for three different classes including indicative ("I"), security ("S") and high-security ("H") classes (valid from 15 June 2024 to 14 June 2025, and renewable on a yearly basis). We submit renewal application for our ISO certifications within 90 days before their expiry dates. Our compliance with ISO 17712 standards requires adherence to specific design requirements to prevent illegal tampering or unauthorised access to goods, which include seal strength, identification and tamper-evidence. The ISO 17712 standards are for mechanical freight container seals but is sometimes also used as an indication of the security level of seals for other applications.

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- **Trading and related services**

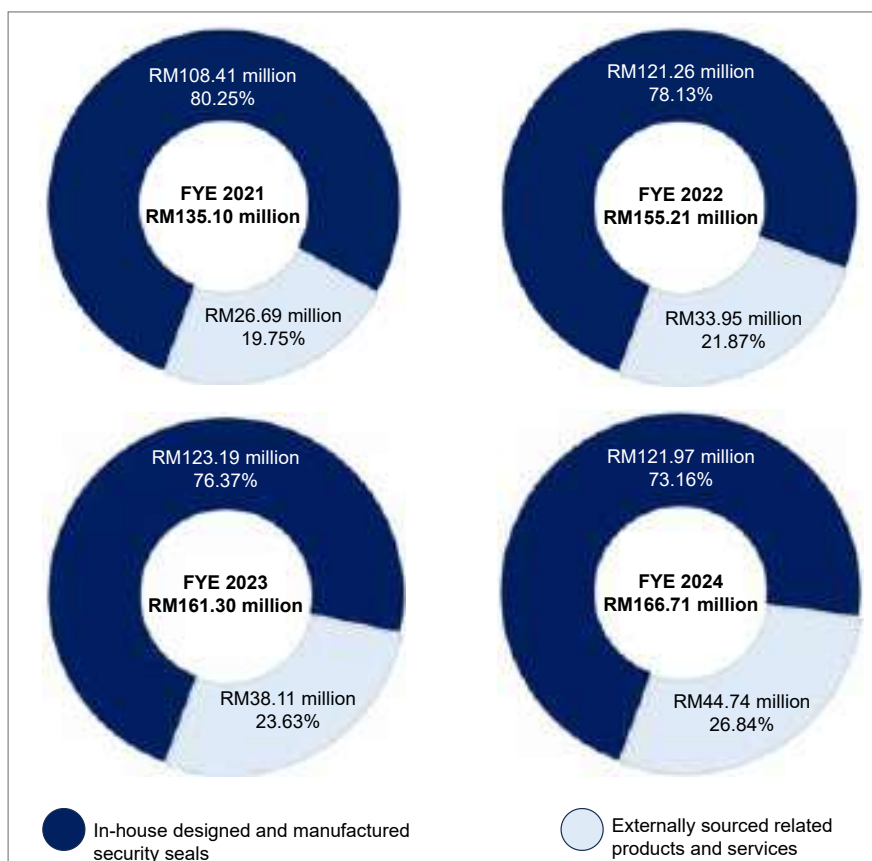
We carry out trading and related activities to complement our in-house designed and manufactured security seals. This allows us to (i) provide convenience to our existing customers and (ii) attract new customers, as we are able to offer a wider range of related products.

We trade load securement products and other related products and services. Load securement products are used to secure cargo and loads inside vessels such as ships, trains, planes and trucks during transportation to prevent load shifting and damage to the products and cargo. The types of load securement products we trade include dunnage bags, polyester cord strapping and lashing systems. Other related products that we trade comprise security tapes and labels, and other related products such as security boxes and bags, TITO tickets, and UV casino scanner.

In addition, we distribute and maintain a playing card security box tracking software system, namely Mega Casino Management System, which enable our customers which are casino operators to track and monitor the movement, status and historical information of the security boxes throughout the supply chain. This includes tracking the movement of the playing cards in the security boxes which are kept in the warehouse of the playing cards till their destruction. The tracking and monitoring of the security boxes can be carried out by scanning the unique barcode marked on the security seals. We source the system from our supplier who is the developer and owner of the said system.

Revenue from trading and related services accounted for 19.75%, 21.87%, 23.63% and 26.84% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

Our revenue contribution by in-house designed and manufactured security seals, and externally sourced related products and services are set out below:



7. BUSINESS OVERVIEW

For the FYE Under Review, our revenue contribution by products is set out below:

Revenue by products	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
In-house designed and manufactured⁽¹⁾	108,413	80.25	121,263	78.13	123,194	76.37	121,973	73.16
Plastic seals	46,256	34.24	51,581	33.23	58,138	36.04	65,503	39.28
Container seals	23,141	17.13	25,837	16.65	25,797	15.99	22,232	13.34
Cable seals	32,500	24.06	35,264	22.72	32,362	20.06	30,073	18.04
Security bags	6,516	4.82	8,581	5.53	6,897	4.28	4,165	2.50
Externally sourced⁽²⁾	26,685	19.75	33,948	21.87	38,109	23.63	44,739	26.84
Load securement products	17,380	12.86	23,002	14.82	25,164	15.60	26,337	15.80
Other related products and services	9,305	6.89	10,946	7.05	12,945	8.03	18,402	11.04
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

Notes:

- (1) This includes security seals that were produced by Shaoxing Mega Fortris, our previous subsidiary with a security seal manufacturing facility in China before its cessation of manufacturing operations in April 2022. For FYE 2021 and FYE 2022, the purchase of complete security seals from Shaoxing Mega Fortris was RM11.55 million and RM8.54 million respectively. The company was subsequently deregistered as a company in March 2023 following the cessation of its manufacturing operations.
- (2) Externally sourced other related products and services include other tamper-evident products comprising security tapes and labels and other related products (such as (i) security boxes and bags, (ii) TITO tickets, and (iii) UV casino scanner), as well as distribution and maintenance of a playing card security box tracking software system, namely Mega Casino Management System.

7.3.3 Principal markets

As at the LPD, we have operations in 12 countries including our headquarters, two manufacturing facilities, and sales and technical support located in Selangor, Malaysia as well as 11 offices in 11 foreign countries namely Australia, New Zealand, Singapore, Hong Kong, USA, UK, Denmark, Hungary, France, Netherlands and, UAE (Dubai).

Our revenue was mainly derived from our combined foreign operations which accounted for 78.65%, 79.27%, 75.48% and 73.41% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. Our major countries of foreign operations were the USA, the UK and Denmark which accounted for 10% or more of our total revenue for at least one of the FYE Under Review. In addition, our operations in Malaysia accounted for 21.35%, 20.73%, 24.52% and 26.59% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

7. BUSINESS OVERVIEW
Revenue by operational locations

For the FYE Under Review, revenue contribution by our Malaysia and foreign operations is set out below:

Revenue by operational locations	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Foreign operations ⁽¹⁾	106,253	78.65	123,042	79.27	121,752	75.48	122,377	73.41
In-house designed and manufactured	80,785	59.80	91,238	58.78	86,527	53.64	83,791	50.26
- Plastic seals	30,035	22.24	34,993	22.55	34,065	21.11	37,675	22.60
- Container seals	15,363	11.37	18,149	11.69	17,286	10.72	17,096	10.25
- Cable seals	30,775	22.78	33,104	21.33	29,579	18.34	27,138	16.28
- Security bags	4,612	3.41	4,992	3.21	5,597	3.47	1,882	1.13
Externally sourced	25,468	18.85	31,804	20.49	35,225	21.84	38,586	23.15
- load securement products	17,377	12.86	23,000	14.82	25,162	15.60	25,625	15.37
- Other related products and services	8,091	5.99	8,804	5.67	10,063	6.24	12,961	7.78
Malaysia operations	28,845	21.35	32,169	20.73	39,551	24.52	44,335	26.59
In-house designed and manufactured security seals	27,628	20.45	30,025	19.34	36,667	22.73	38,182	22.90
- Plastic seals	16,221	12.01	16,588	10.69	24,073	14.92	27,828	16.69
- Container seals	7,778	5.76	7,688	4.95	8,511	5.28	5,136	3.08
- Cable seals	1,725	1.28	2,160	1.39	2,783	1.73	2,935	1.76
- Security bags	1,904	1.40	3,589	2.31	1,300	0.80	2,283	1.37
Externally sourced products	1,217	0.90	2,144	1.39	2,884	1.79	6,153	3.69
- load securement products	3	#	2	#	2	#	712	0.43
- Other tamper-evident products	1,214	0.90	2,142	1.39	2,882	1.79	5,441	3.26
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

7. BUSINESS OVERVIEW

Notes:

Less than 0.01%.

- (1) Foreign operations refer to revenue derived from our foreign subsidiaries for the sales of our in-house designed and manufactured security seals from Malaysia, and the sales of externally sourced related products and services.

For the FYE Under Review, revenue contribution by the locations of our operations based on regions and countries is set out below:

Revenue by region and country of operations	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Asia Pacific	42,735	31.63	46,836	30.18	56,363	34.94	63,095	37.84
Malaysia	28,845	21.35	32,169	20.73	39,551	24.52	44,335	26.59
Others:								
Australia	7,449	5.51	6,631	4.27	8,650	5.36	10,187	6.11
New Zealand	4,441	3.29	5,679	3.66	5,331	3.30	5,606	3.36
Singapore	1,730	1.28	2,136	1.38	2,548	1.58	2,588	1.55
Hong Kong ⁽¹⁾	270	0.20	221	0.14	283	0.18	379	0.23
Americas	32,464	24.03	42,565	27.42	42,081	26.09	44,997	26.99
USA	32,464	24.03	42,565	27.42	42,081	26.09	44,997	26.99
Europe	53,449	39.57	57,866	37.28	53,189	32.98	49,579	29.74
UK	23,057	17.07	27,562	17.75	28,563	17.70	31,296	18.77
Denmark	16,550	12.25	15,987	10.30	10,155	6.30	3,439	2.06
Hungary	6,777	5.02	5,674	3.66	5,449	3.38	5,160	3.10
France	4,642	3.44	5,643	3.64	5,978	3.71	6,667	4.00
Netherlands	2,423	1.79	3,000	1.93	3,044	1.89	3,017	1.81
Middle East	6,450	4.77	7,944	5.12	9,670	5.99	9,041	5.43
UAE (Dubai)	6,450	4.77	7,944	5.12	9,670	5.99	9,041	5.43
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

Note:

- (1) We do not have permanent staff for our Hong Kong office and the operation activity is outsourced to a third-party in Hong Kong.

7. BUSINESS OVERVIEW

Revenue by our customers' locations

We serve customers outside our operational bases where our customers are located across countries within the Europe, Asia Pacific, Americas, Europe, the Middle East, and Africa and other regions.

For the FYE Under Review, revenue by the locations of our customers (based on customers' addresses on invoices) is set out below:

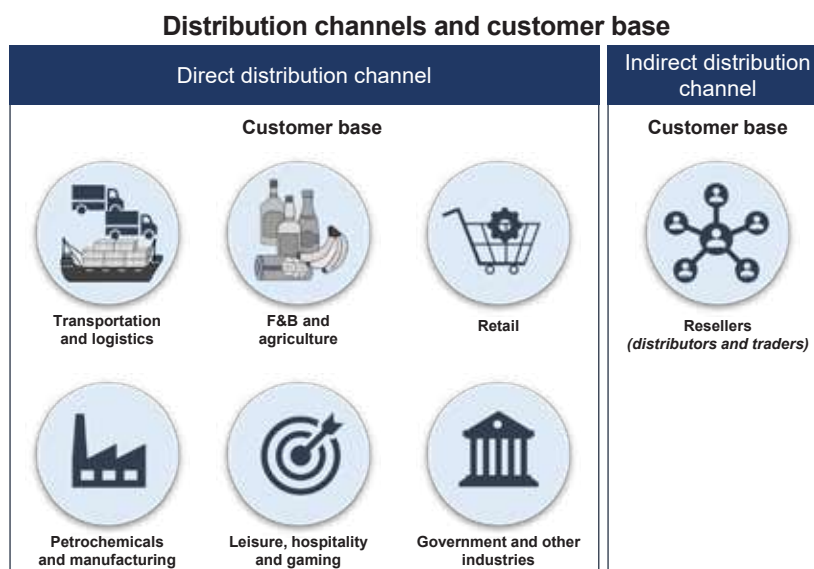
Revenue by customers' locations	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Europe	51,126	37.84	55,729	35.91	53,352	33.08	53,985	32.38
UK	21,859	16.18	25,371	16.35	25,529	15.83	28,984	17.38
France	4,541	3.36	5,549	3.58	5,864	3.64	6,527	3.91
Hungary	3,221	2.38	3,348	2.16	3,642	2.26	4,232	2.54
Belgium	3,765	2.79	3,422	2.20	2,243	1.39	571	0.34
Sweden	2,810	2.08	3,532	2.28	2,517	1.56	596	0.36
Spain	1,276	0.94	2,855	1.84	2,959	1.83	5,685	3.41
Netherlands	2,550	1.89	1,919	1.24	2,021	1.25	2,114	1.27
Italy	3,472	2.57	1,540	0.99	584	0.36	190	0.11
Ireland	1,103	0.82	1,891	1.22	2,322	1.44	1,795	1.08
Romania	2,481	1.84	1,109	0.71	625	0.39	493	0.30
Germany	647	0.48	1,621	1.04	1,266	0.78	1,012	0.61
Norway	1,471	1.09	291	0.19	539	0.33	233	0.14
Others ⁽¹⁾	1,930	1.42	3,281	2.11	3,241	2.02	1,553	0.93
Asia Pacific	43,566	32.25	45,615	29.39	53,305	33.05	55,328	33.19
Australia	7,323	5.42	6,495	4.18	8,508	5.27	10,090	6.06
Philippines	5,918	4.38	6,491	4.18	9,815	6.08	7,230	4.34
Malaysia	6,576	4.87	6,977	4.50	7,046	4.37	7,697	4.62
New Zealand	4,130	3.06	5,416	3.49	5,027	3.12	5,599	3.36
Taiwan	3,381	2.50	2,447	1.58	2,804	1.74	1,997	1.20
Macao	2,325	1.72	2,994	1.93	3,233	2.00	7,660	4.59
Singapore	2,506	1.85	2,671	1.72	2,968	1.84	2,557	1.53
Thailand	1,846	1.37	2,944	1.90	2,654	1.65	1,939	1.16
Pakistan	2,134	1.58	2,441	1.57	1,436	0.89	1,430	0.86
Hong Kong	1,397	1.03	1,509	0.97	1,926	1.19	1,231	0.74
South Korea	1,304	0.97	1,511	0.97	2,005	1.24	2,589	1.55
Others ⁽²⁾	4,726	3.50	3,719	2.40	5,883	3.66	5,309	3.19
Americas	30,350	22.47	39,382	25.37	39,736	24.63	43,253	25.94
USA	19,817	14.67	24,710	15.92	25,839	16.02	27,582	16.55
Mexico	3,862	2.86	5,380	3.47	6,344	3.93	8,123	4.87
Peru	4,014	2.97	5,015	3.23	3,243	2.01	3,573	2.14
Others ⁽³⁾	2,657	1.97	4,277	2.75	4,310	2.67	3,975	2.40
Middle East	6,762	5.01	8,149	5.25	10,027	6.22	9,399	5.64
UAE	5,979	4.43	6,955	4.48	8,495	5.27	7,735	4.64
Others ⁽⁴⁾	783	0.58	1,194	0.77	1,532	0.95	1,664	1.00
Africa and others	3,294	2.43	6,336	4.08	4,883	3.02	4,747	2.85
South Africa	1,208	0.89	3,454	2.23	932	0.58	1,108	0.66
Others ⁽⁵⁾	2,086	1.54	2,882	1.85	3,951	2.44	3,639	2.19
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

7. BUSINESS OVERVIEW

Notes:

- (1) Include Iceland, Slovakia, Switzerland, Denmark, Montenegro, Czech Republic, Austria, Croatia, Finland, Bulgaria, Cyprus and others.
- (2) Include Vietnam, Japan, Myanmar, Indonesia, Cambodia, Papua New Guinea, Azerbaijan, Sri Lanka, Fiji, Brunei and others.
- (3) Include Ecuador, Brazil, Canada, Honduras, Dominican Republic, Columbia, Costa Rica, Panama and others.
- (4) Include Sultanate of Oman, Qatar, Saudi Arabia and others.
- (5) Include Puerto Rico, Côte d'Ivoire, Egypt, Jamaica, Guyana, Mauritania, Ghana, Ethiopia, Zimbabwe, Trinidad and Tobago, Kenya and others.

7.3.4 Distribution channels and customers



We mainly adopt a direct distribution channel where we market and sell our products directly to customers who are the end-users of our products. They include companies operating in transportation and logistics; F&B and agriculture; retail; petrochemicals and manufacturing; leisure, hospitality and gaming; and government and other industries. For the FYE Under Review, the transportation and logistics industry is our largest revenue contributor under the direct distribution channel. Our direct distribution channel strategy enables us to target end-users to cultivate long-term business relationships with our customers. This is important to facilitate a better understanding of the operational and technical requirements of our customers which in turn allows us to improve our product functionality and quality as well as enable us to continuously develop or enhance our product offerings.

We also utilise an indirect distribution channel where we sell our products to resellers who will subsequently resell them to end-users or other resellers. Our customer base of resellers comprises distributors and traders of our products. Our indirect distribution channel strategy enables us to gain access to a wider market reach in domestic and foreign countries without requiring investment in sales infrastructure and resources to reach end-users.

7. BUSINESS OVERVIEW

Our revenue contribution by distribution channels and customer base for the FYE Under Review is set out below:

Customer bases/ end-user industries	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution	95,043	70.35	108,436	69.86	116,064	71.95	123,622	74.15
Transportation and logistics ⁽¹⁾	28,061	20.77	27,557	17.75	25,141	15.59	26,730	16.03
Petrochemicals and manufacturing	21,630	16.01	23,732	15.29	23,843	14.78	27,126	16.27
F&B and agriculture	12,182	9.02	16,113	10.38	18,346	11.37	14,764	8.86
Retail ⁽²⁾	9,702	7.18	11,743	7.57	11,448	7.10	12,584	7.55
Leisure, hospitality and gaming ⁽³⁾	4,882	3.61	6,347	4.09	8,789	5.45	15,487	9.29
Government	5,031	3.72	4,281	2.76	5,149	3.19	4,859	2.91
Others ⁽⁴⁾	13,555	10.04	18,663	12.02	23,348	14.47	22,072	13.24
Indirect distribution	40,055	29.65	46,775	30.14	45,239	28.05	43,090	25.85
Resellers ⁽⁵⁾	40,055	29.65	46,775	30.14	45,239	28.05	43,090	25.85
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

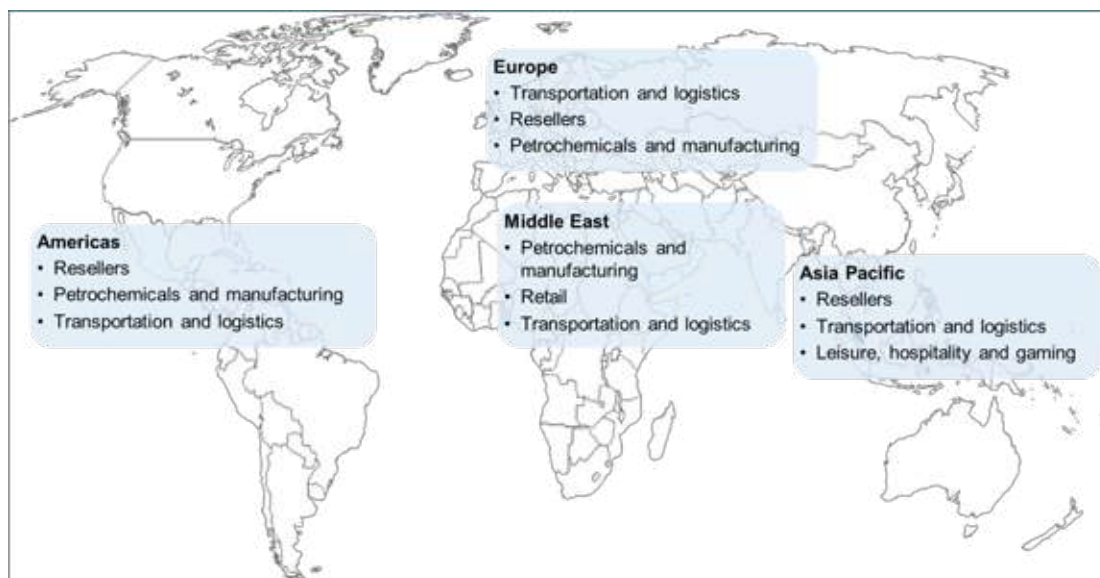
Notes:

- (1) Includes companies involved in postal and courier services.
- (2) Includes retailers and e-commerce such as mini-market and supermarket operators, and online e-commerce companies.
- (3) Includes casino operators.
- (4) Includes end-user industries including security and cash-in-transit services, public utility and related services, aviation services, financial institutions and insurance, healthcare, medical-related services and pharmaceuticals, packaging products and information technology.
- (5) Includes distributors and traders who resell our products mainly under the "Mega Fortris" brand.

7. BUSINESS OVERVIEW

We serve customers in diverse industries within various regions namely, Asia Pacific, Europe, Americas and Middle East regions. This is supported by our offices in Selangor, Malaysia and 11 foreign countries.

For the FYE Under Review, our top three customer bases/end-user industries (based on customers' addresses on invoices) * in each of the regions we serve are set out below:



* Refers to the top three customer bases/end-user industries for each region based on their aggregated revenue contribution for the FYE Under Review.

Our top three customer bases/end-user customers by region (based on customers' addresses on invoices) are set out below:

Top three customer bases/end-user industries by region	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Europe	51,126	37.84	55,729	35.91	53,352	33.08	53,985	32.38
Transportation and logistics	13,810	10.22	12,227	7.88	9,704	6.02	10,697	6.42
Resellers	11,732	8.68	10,604	6.83	9,179	5.69	8,669	5.20
Petrochemicals and manufacturing	8,178	12.05	8,938	5.76	7,430	4.61	7,951	4.77
Others ⁽¹⁾	17,406	12.87	23,960	15.44	27,039	16.76	26,668	15.99
Asia Pacific	43,566	32.25	45,615	29.39	53,305	33.05	55,328	33.19
Resellers	12,860	9.52	13,757	8.86	15,621	9.68	12,982	7.79
Transportation and logistics	9,511	7.04	8,215	5.29	8,830	5.47	6,801	4.08
Leisure, hospitality and gaming	4,880	3.61	6,310	4.07	8,582	5.32	15,426	9.25
Others ⁽²⁾	16,315	12.08	17,333	11.17	20,272	12.58	20,120	12.07

7. BUSINESS OVERVIEW

Top three customer bases/end-user industries by region	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Americas	30,350	22.47	39,382	25.37	39,736	24.63	43,253	25.94
Resellers	13,882	10.28	19,999	12.89	17,839	11.06	19,146	11.48
Petrochemicals and manufacturing	7,177	5.31	8,359	5.39	8,477	5.26	8,599	5.16
Transportation and logistics	3,925	2.91	5,467	3.52	4,745	2.94	6,884	4.13
Others ⁽¹⁾	5,366	3.97	5,557	3.57	8,675	5.37	8,624	5.17
Middle East	6,762	5.01	8,149	5.25	10,027	6.22	9,399	5.64
Petrochemicals and manufacturing	3,914	2.90	4,686	3.02	5,573	3.45	5,277	3.17
Retail	1,279	0.95	1,329	0.86	1,458	0.90	1,153	0.69
Transportation and logistics	606	0.45	1,304	0.84	1,492	0.92	2,052	1.23
Others ⁽³⁾	963	0.71	830	0.53	1,504	0.93	917	0.55
Africa and other regions	3,294	2.43	6,336	4.08	4,883	3.02	4,747	2.85
Resellers	1,580	1.17	2,415	1.56	2,525	1.57	2,144	1.29
Retail	1,119	0.83	2,598	1.67	48	0.03	535	0.32
F&B and agricultural products	173	0.13	425	0.27	1,030	0.64	998	0.60
Others ⁽⁴⁾	422	0.30	898	0.58	1,280	0.79	1,069	0.64
Total revenue	135,098	100.00	155,211	100.00	161,303	100.00	166,712	100.00

Notes:

- (1) Include mainly F&B and agriculture, retail, government, and leisure, hospitality and gaming industries.
- (2) Include mainly government, F&B and agriculture, retail, petrochemicals and manufacturing industries.
- (3) Include mainly F&B and agriculture industries as well as government and resellers.
- (4) Include transportation and logistics, and petrochemicals and manufacturing industries.

7. BUSINESS OVERVIEW

7.4 MODE OF OPERATION

In general, our sales of products are based on confirmed purchase orders.

We have master supply agreements with several customers from industries such as transportation and logistics, gaming, government, and F&B and agriculture for the supply of our security seals. The agreements set out the general terms and conditions with validity periods, and there is no obligation for the customers to place orders. Our customers will place orders periodically or on an ad-hoc basis which serve as agreements for the purchase of products and services.

We offer customers credit terms ranging from 30 days to 120 days. We issue invoices when the goods are delivered and accepted by our customers.

There is no formal product warranty for our in-house designed and manufactured products. However, as a gesture of goodwill towards our customers, we will either provide a replacement or offer a discount in terms of credit note if our products are found to be off-spec or defective.

As for the sales of products that are externally sourced, product warranty is provided by some manufacturers or suppliers.

7.5 OUR COMPETITIVE STRENGTHS

7.5.1 We have an established track record of 28 years in the security seal industry to serve as a reference and the platform to sustain and grow our business

We have an established track record in the security seal industry since 1996 when our Promoters, Dato' Nick Ng and Datuk Adrian Ng started trading security seals in 1996 under Fortris Malaysia.

Our track record demonstrates the quality and acceptance of our products to provide protection to the security and integrity of goods during transportation and storage. Our track record also demonstrates that our products have been widely tested and used under real operational conditions and have stood the test of time to encourage our existing customers to purchase more of our products, and new customers to try our products. As such, our track record provides us with a strong platform to sustain and grow our business domestically as well as in foreign countries.

7.5.2 Our in-house designed and manufactured products are mainly marketed and sold under our brand "Mega Fortris" to enable us to build brand equity to sustain and grow our business

Our in-house designed and manufactured security seals are mainly sold under our brand "Mega Fortris". This branding provides us with the platform to build our brand equity including:

- (i) brand awareness to secure new customers,
- (ii) brand loyalty to keep our existing customers as well as sell them more of our products; and
- (iii) a positive image to provide some assurance of the quality of our branded products.

As at the LPD, we have trademarked our brand "Mega Fortris" in various countries namely, Malaysia, Singapore, China and USA. Please refer to Section 7.22 and Annexure B of this Prospectus for further details on our registered trademarks.

7. BUSINESS OVERVIEW

Our security seals marketed under Mega Fortris brand comply with the ISO 17712 standards for three different classes including indicative (“I”), security (“S”) and high-security (H) classes. Compliance with ISO 17712 standards requires adherence to specific requirements designed to prevent illegal tampering or unauthorised access to cargo, which include seal strength, seal identification and seal tamper-evidence. The ISO 17712 standards are for mechanical freight container seals but is sometimes also used as an indication of the security level of seals for other applications.

As at the LPD, we have 34 security seals certified under ISO 17712 standards and are certified and validated by third-party laboratories.

Our branding also moves us away from being perceived as a generic or commodity product where we mainly market and sell our products under “Mega Fortris” brand. This provides us with a key differentiation factor when compared to other brands or products without a brand. In addition, with our brand, we can use an indirect distribution channel such as distributors and traders who will resell our products to their respective customers in countries or locations where we are not present or that are underserved. Our branding will support our sales to existing and new customers to sustain and grow our business.

7.5.3 We have patented products that protect our design and innovation to sustain our competitive advantages

All our in-house manufactured security seals are designed in-house by our technical department. As at the LPD, we have 19 patents and 20 industrial designs registered with various authorities from countries including Malaysia, China, Philippines, Singapore, Chile, Costa Rica, Macao, Taiwan, Korea, USA, UK and others to protect our intellectual properties. Please refer to Section 7.22 and Annexure B of this Prospectus for further details on our registered patents and industrial designs. These intellectual properties protect us against other industry players from copying our products and designs.

While we have no intention to licence out our intellectual properties for third-party manufacturing, we do have this option available should circumstances make intellectual properties licencing a favourable business option for us to pursue.

7.5.4 We have a wide range of security products that enable us to address a large number of user industries to sustain and grow our business

We have a wide range of security seals to meet the diverse needs of customers and end-user industries. For the FYE Under Review, we have 4,823 stock keeping units (“SKU”) of which, 4,728 SKUs are designed and manufactured in-house by us while the remaining 95 SKUs are purchased from third-party suppliers for our trading activities.

Our security seals have wide applications as demonstrated by the end-user industries of our customers as follows:

- transportation and logistics;
- F&B and agriculture;
- retail;
- petrochemicals and manufacturing;
- leisure, hospitality and gaming;
- government; and
- other industries including security and cash-in-transit services, public utility and related services, aviation services, financial institutions and insurance, healthcare, medical-related services and pharmaceuticals, packaging products and information technology.

Our wide range of products that can meet a large number of end-user industries will provide us with the platform to sustain and grow our business. In addition, they help us minimise any over dependencies on any one or a small number of end-user industries.

7. BUSINESS OVERVIEW

7.5.5 We have wide geographic coverage (including Asia Pacific, Europe, the Americas and the Middle East) to provide us with a large addressable market

For the FYE Under Review, our products are used in approximately 120 countries within the Asia Pacific, Europe, the Americas and the Middle East regions. This presents us with a large addressable market to sustain and grow our business. In addition, our wide geographic coverage minimise against over-dependence on any one or small group of countries. For the FYE Under Review, end-users from the USA and UK contributed between 14.00% and 18.00% of our total revenue. All other end-user countries each represented less than 10.00% of our total revenue for each of the FYE Under Review.

To support our user industries, we have 12 offices located in Malaysia, the USA, the UK, Denmark, the Netherlands, France, Hungary, Dubai, Hong Kong, Singapore, Australia and New Zealand. Our wide geographic coverage with offices in 12 countries provides us with a competitive advantage to deal directly with end-user customers in or close to their country of operations. Our revenue derived from our direct channel customers accounted for 70.35%, 69.86%, 71.95% and 74.15% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. Dealing directly with end-users will enable us to create customer loyalty and better serve their requirements to sustain and grow our business.

7.5.6 We sell to intermediaries such as distributors and traders to enlarge our market coverage without requiring us to invest in sales resources and infrastructure

We also use an indirect distribution channel where we sell our products to intermediaries like distributors and trading companies who will resell our products to their network of customers. It enables us to have a wider market reach for our products to end-users. This include end-users that we are not addressing or end-users in locations where we are not represented or that are underserved. All these are achieved with minimum investment in sales resources and infrastructure like warehousing and logistics.

In addition, our products sold to intermediaries are mainly marketed under our brand "Mega Fortris". This will allow our intermediaries to utilise our brand equity to sell our products to their customers. Our revenue derived from our indirect channel customers accounted for 29.65%, 30.14%, 28.05% and 25.85% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

7.5.7 We have offices in 12 countries to sustain and grow our business

One of our key strengths is that we have physical offices in 12 countries namely Malaysia, USA, UK, Denmark, Netherlands, France, Hungary, Dubai, Hong Kong, Singapore, Australia and New Zealand. Facilitated by our offices from these 12 countries, our products are sold and used in approximately 120 countries during the FYE Under Review.

Our revenue was mainly derived from our combined foreign operations which accounted for 78.65%, 79.27%, 75.48% and 73.41% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively, while revenue from our operations in Malaysia accounted for 21.35%, 20.73%, 24.52% and 26.59% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. With our spread of offices, we are closer to our customers to market and sell our products to our customers to sustain and grow our business.

7. BUSINESS OVERVIEW

7.5.8 Our products are essential products for some end-user industries to ensure the integrity and security of goods during transportation and storage

Our products are considered essential products for some end-user industries to ensure the integrity and security of goods during transportation and storage. For example, it is essential for some goods such as pharmaceutical products to be protected from tampering as tampered pharmaceutical products may lead to ill health or even death due to malicious acts. Others may include prevention of theft or avoidance of payment of duties. The use of security seal is designed to provide various degrees of benefits and criticalness which will serve as the platform for continuing purchases from our existing customers as well as new customers to sustain and grow our business.

7.5.9 We have experienced Executive Directors and Key Senior Management to sustain and grow our business

We have an experienced management team headed by our Group Managing Director cum Group Chief Executive Officer, Datuk Adrian Ng. He is responsible for the formulation of the overall direction and business development strategies of our Group. Our Group Managing Director brings approximately 29 years of experience in the security seal industry. He is supported by our Executive Director, Ng Weng Choi who brings with him approximately 27 years of experience in the security seal industry.

Our key senior management team including:

- (i) Sim Li Huang, our Group CFO, who brings with her 28 years of experience in accounting and finance-related matters;
- (ii) Jason Francis White, our Group COO, who brings with him more than 24 years of working experience in production and operations of various companies; and
- (iii) Ng Foong Yuon, our Compliance Director who brings with her more than 28 years of working experience including more than 16 years in the security seal industry.

We believe our experienced management team will help to sustain and grow our business. Please refer to Sections 5.2.2 and 5.4.3 of this Prospectus for the profiles of our Executive Directors and Key Senior Management respectively.

7.6 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.6.1 Design and Manufacturing of Security Seals

7.6.1.1 Overview

The design and manufacturing segment is our major revenue contributor which accounted for 80.25%, 78.13%, 76.37% and 73.16% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

The security seals that we design and manufacture which include plastic seals, container seals, cable seals and security bags incorporate security features and tamper-evident mechanisms to enhance the integrity and security of our customers' goods during transportation and storage. Our security seals protect the integrity of goods by preventing unauthorised manipulation or alteration (tampering) of the sealed goods, ensuring their authentication and traceability. In addition, our security seals protect the goods by acting as a barrier to prevent loss, theft and unauthorised access to the sealed goods.

7. BUSINESS OVERVIEW

All security seals manufactured by us are designed by our in-house technical personnel. The application of our security seals covers a range of end-user industries including transportation and logistics, F&B and agriculture, retail, petrochemicals and manufacturing, leisure, hospitality and gaming, and government. Please refer to Section 7.3.4 for further details on our markets and customer base. The security seals that we manufacture are consumable products, which are effectively used once.

7.6.1.2 Design of security seals

For the FYE Under Review, we have 4,823 SKU of security seals, of which 4,728 SKU are designed and manufactured in-house while the remaining 95 SKU are purchased from third-party suppliers for our trading activities. As at the LPD, we have four technical personnel headed by Chua Yuen Kam, our Head of Design and Development for the design of our security seals.

Our capabilities include end-to-end design of security seals including product conceptualisation, detailed engineering design and specifications, prototyping and testing of prototypes. Our product design covers new products and design enhancement of existing products. Generally, the design of security seals involves the following steps:

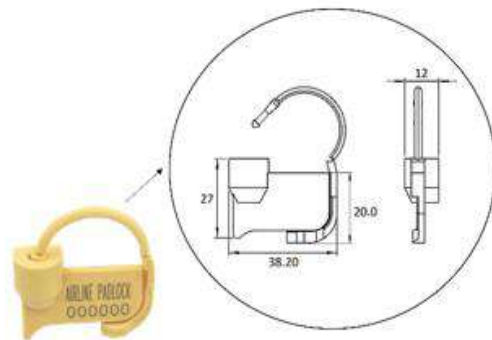
(i) Product conceptualisation

Product conceptualisation involves developing ideas and creating the preliminary design drawings of the security seal for the intended application, security requirement, environmental conditions and other requirements. During production conceptualisation, multiple potential designs may be developed before a suitable design is selected for detailed engineering design.

(ii) Detailed engineering design and specifications

Once the design is finalised, it will be translated into detailed engineering design and specifications including the specific measurements, tamper-evident mechanism, material specifications, manufacturing techniques as well as product application instructions. The detailed design will be utilised as a blueprint for subsequent product prototyping.

Detailed engineering design and specification of our airline padlock



(iii) Prototyping and testing

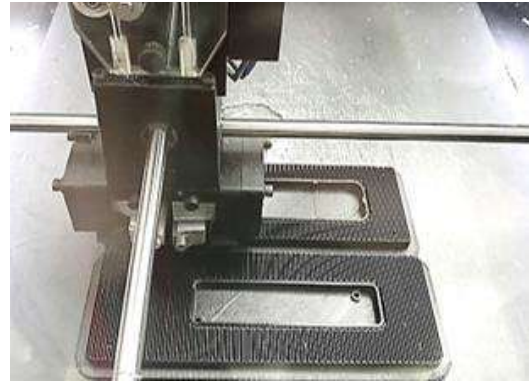
We utilise 3-dimensional (3D) printing technology to create prototypes of the engineering design and specified security seal. The physical prototypes created enable us to assess the feasibility, functionality, durability and reliability of the design. We also carry out various prototype testing for the evaluation of its tamper resistance, durability, tensile strengths, environmental resistance and flexural strengths as well as its suitability for the intended application. In addition, the prototypes may also be distributed to our customers to obtain feedback which will enable us to improve and enhance the design of the security seal before the commencement of large-scale production. Once all feedback is taken into consideration and amendments are made to the design, the final design will be produced for large-scale production.

7. BUSINESS OVERVIEW

3D printed prototype



3D printing of prototype



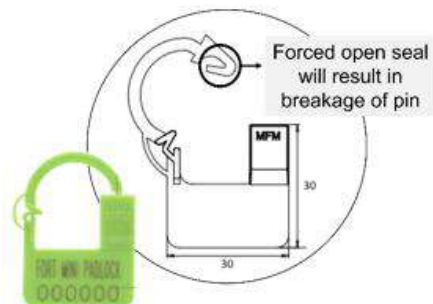
7.6.1.3 Design features and considerations

While the key function of security seals is to enhance the integrity and security of the sealed goods, the design of our security seals takes into consideration various factors to minimise the risk of accidental damage during transportation and storage, which may result in unauthorised access and inaccurate security alerts. Some of the features and factors taken into consideration while designing our security seals include the following:

(i) Tamper-evident mechanism

The tamper-evident mechanism refers to the design that indicates unauthorised access, manipulation or alteration of the sealed goods, thus enhancing the integrity of the goods contained under the security seal. If the sealed goods are tampered with, the security seal will show obvious signs of interference. Our security seals are designed to show signs of interference such as breakage and change in shape, which indicate potential tampering. Some of the designs of tamper-evident mechanisms that we utilise for our security seals include the following:

- (a) **One-way lock mechanism** is designed to allow only one-way entry where once sealed, the closure is irreversible. Any attempts of tampering or manipulation, the lock will leave a visible sign of interference such as damage or breakage. It is designed in a way that makes it impossible to reattach the security seal once the locking mechanism is removed or broken.



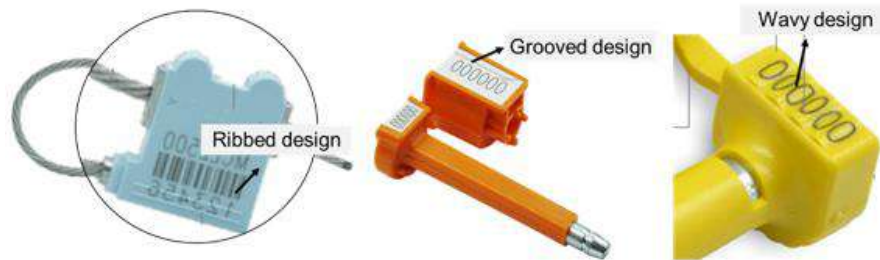
- (b) **Acetal locking mechanism** uses inserts made from acetal resins which is a durable plastic material to provide security against tampering by heat and force. Any forced tampering of the acetal locking mechanism will result in breakage.



7. BUSINESS OVERVIEW

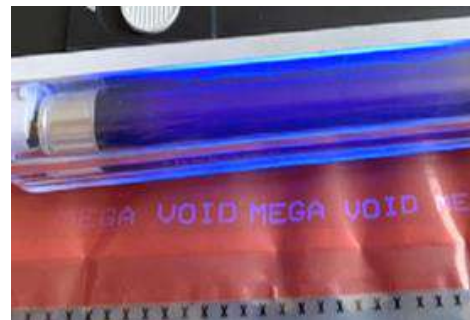
- (c) **Ribbed, wavy or grooved surfaces** are designed on the laser marking area of the security seals to prevent tampering with identifiers. The ribbed, wavy or grooved designs create irregularities on the laser marking area where any attempts of alteration or removal of the laser marked identifier will result in disruption in the rib pattern or the groove, leaving a visible sign of potential tampering.

Laser marking of security seals



- (d) **Invisible UV ink** is generally utilised in security bags for the printing of verification marker such as a specific pattern or identifier which remain invisible under normal lighting conditions. The verification marker is printed using UV ink on the security bags and is not noticeable to third parties, preventing them from replicating it during tampering attempts. Any attempt of alteration or manipulation of the sealed goods will result in disruption in the verification marker, leaving a sign of potential tampering when inspected under UV light.

Verification marker printed using invisible UV ink



- (e) **Non-preformed galvanised steel wires** are used as a tamper-evident mechanism as they will unravel upon cutting, indicating potential tampering.

Unraveling of galvanised steel wire



(ii) Traceability

Traceability refers to the ability to track and monitor the movement, status and historical information of the seal such as the origin destination. Security seals attached to the goods provide a traceability feature which allows relevant parties to stay informed about the good's location, handling process and delivery progress ensuring transparency and accountability throughout the supply chain.

The design of our security seals incorporates a traceability feature through laser marking, where the identifier such as name, logo, serial number, barcode and/or QR code is engraved onto the surface of the security seal using a laser marking machine. The laser marking on security seals is based on identifiers provided by our customers.

7. BUSINESS OVERVIEW

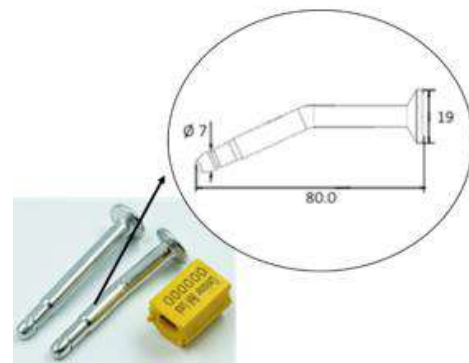
Generally, scannable codes including serial numbers, barcodes or QR codes are encoded with information such as product description, manufacturing date, batch number, shelf-life, quality control data and destination details, which are stored in a database and maintained by our customers.

Laser marking also provides integrity to the sealed goods as it creates permanent and irreversible identifiers which cannot be tampered with or altered without any clear sign of interference.

(iii) Tensile strength and durability

Tensile strength, also known as pull strength, refers to the minimum force required to break the security seal. Some of the factors determining the tensile strength of the security seal include the design such as the thickness of the seal and locking mechanism utilised. For example, our container seal bolt lock is designed with an angled pin to provide higher security as greater strength would be required for forced removal of the seal compared to an ordinary straight pin. In addition, the selection of materials will determine the tensile strength of the security seals, for example, stainless steel has higher pull strength than plastic materials. Our range of security seals have a minimum tensile strength ranging between 0.04kN and 9.81kN to cater to various applications and requirements.

Angled pin to provide higher security



(iv) Environmental conditions

Our security seals are used to seal goods during transportation and storage where the process may entail challenging environmental conditions such as extremely high or low temperature and humidity, or exposure to corrosive environments such as flammable fumes, UV rays of the sun, extreme weather conditions, saltwater and sea air. As such, the selection of the materials for our security seals during the design stage is critical to ensure the reliability of the seal under various transportation and storage conditions. We mainly use food grade polypropylene (copolymer and homopolymer), followed by polycarbonate, nylon, low density polyethylene, acetal and general-purpose polystyrene and other plastic resins as well as steel materials for our security seals which can withstand extreme weather conditions of -25°C to 80°C, as well as other environmental factors.

(v) Intended application

The design of our security seals also takes into consideration the intended application. Some applications may require materials or designs with specific characteristics, such as chemical resistance and different design lengths to cater to various applications.

Plastic seals with different length for various application



7. BUSINESS OVERVIEW

(vi) Environmental consideration

The design of our security seals also takes into consideration environmental sustainability where all the plastic parts of our security seals, with the exception of acetal resins, contain recycled materials and biodegradable additives.

Biodegradable additives provide an enhancement to the properties of the security seals contributing to environmental sustainability. Since May 2024, we have incorporated liquid form biodegradable additives to the plastic resin mixture used in the manufacturing of all of our security seals that have plastic content. These biodegradable additives facilitate the decomposition of the seal materials after the disposal of the seal into the ground to minimise their environmental impact to align with customers' environmental sustainability practices.

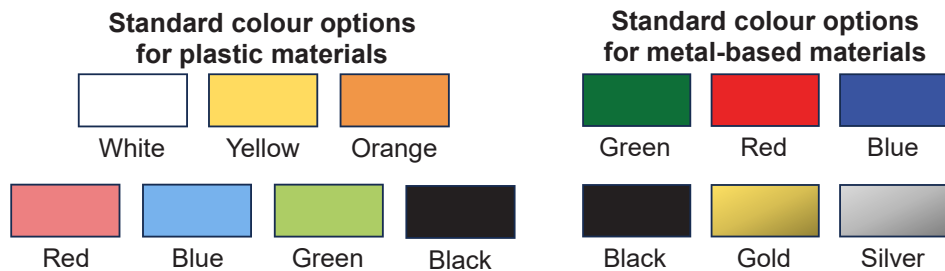
As at the LPD, our security seal design intellectual properties include 19 patents and 20 industrial designs registered with various authorities. Please refer to Section 7.22 and Annexure B of this Prospectus for further details.

7.6.1.4 Customisation of security seals

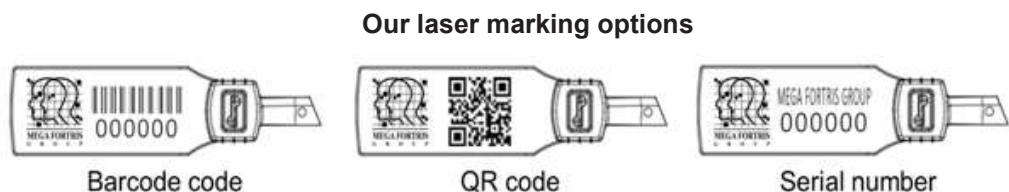
We provide customisation options to our customers where they may request modifications on certain properties or designs of our existing security seal. These modifications are mainly made for ease of identification, marketing purposes or to fulfil environmental considerations. Some of the customisation options for our security seals include the following:

- (i) **Colour customisation** option is available to match the customers' specific branding requirements or to categorise different types of goods. This facilitates the ease of visual identification during the handling of goods.

For security seals made from plastic materials, the colour of the seal can be customised by combining pigments in the plastic resin mixture, which is the input material for the manufacturing of the plastic security seal. For security seals made from metal materials such as aluminium, the colour of the seals is customised using anodisation, an electrochemical process to change the colour of the metal.

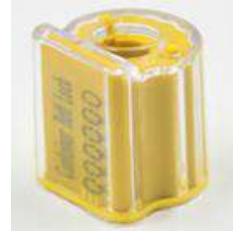


- (ii) **Identifier customisation** is available where the customer has the option to include their unique identifier such as QR code, barcode, serial number or logo for ease of identification during goods handling. The design of the identifier will be provided by the customer and we will engrave it onto the surface of security seals using a laser marking machine. Depending on the size of the security seal and the design of the identifier, our security seals can fit serial numbers and barcodes of up to 15 digits.



7. BUSINESS OVERVIEW

- (iii) **Length customisation** is available for some of our security seals to cater to different customers' requirements.
- (iv) **Additional seal protection** option is available where customers may request for additional transparent cover on some of our container seals to provide further security or protection to the identifier. **Transparent cover**
- (v) **UV additives** are optional enhancements to the properties of the security seals to enhance their resistance to UV rays such as sunlight. Generally, plastic resins used for the manufacturing of security seals are susceptible to UV rays. Prolonged exposure to UV rays can lead to degradation and discolouration, potentially compromising the functionality of the security seal. UV additives are commonly incorporated into security seals which are intended for applications exposed to sunlight over a prolonged period. One such example is security seals used for utility meters which are installed in an outdoor environment.



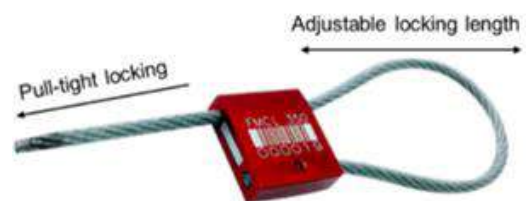
7.6.1.5 Locking mechanisms of our security seals

The locking mechanism that we utilise in our security seals varies depending on the intended application. We will propose the type of security seals with suitable locking mechanisms to our customers based on their requirements. The locking mechanisms used in our security seals include the following:

- (i) **Fixed length locking mechanism** where the security seal is designed with a pre-determined locking length to ensure standardised sealing of goods with a fixed locking length. Locking length indicates the extent to which the seal can be tightened around the goods or container. Our security seals with fixed-length locking mechanisms have locking lengths ranging between 18.4cm and 26.9cm.



- (ii) **Pull tight locking mechanism** where the security seal is designed with adjustable length to provide flexibility to cater for various applications. It enables the user to adjust the length of the seal based on the size and shape of the goods being sealed to ensure a secure fit regardless of the variation in the dimensions of the sealed goods. The pull-tight locking mechanism allows only a one-direction movement associated with the tightening process, after which any attempt to loosen or remove the locking seal will leave behind visible evidence of tampering.

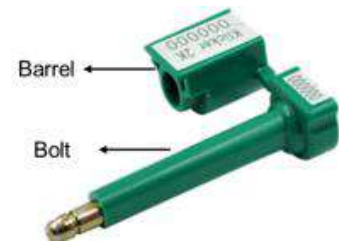


- (iii) **Padlock locking mechanism** resembles the traditional padlock which consists of a shackle and a locking body which interlocks when fastened. While it shares a similar design with the traditional padlock, the key difference is that once the security seal is fastened, it cannot be undone without breaking the seal.



7. BUSINESS OVERVIEW

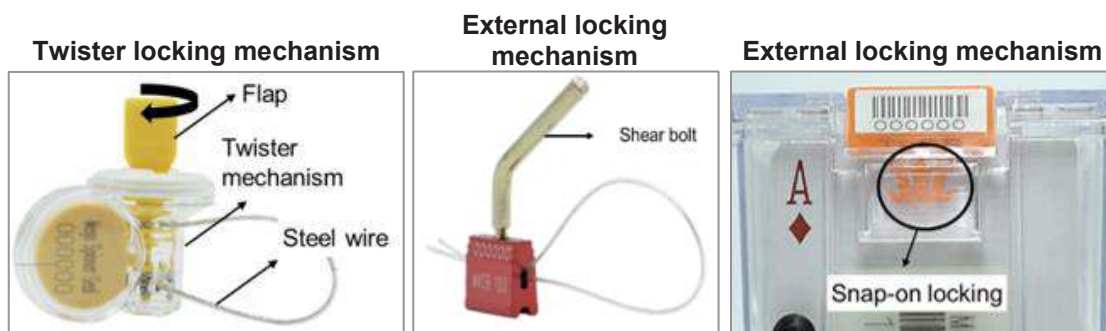
(iv) **Container bolt seal mechanism** is commonly used for heavy-duty security seals. It consists of a bolt and a barrel where the bolt can be securely fastened into the barrel, ensuring a high-strength closure and is commonly used for shipping containers. Once fastened, specialised tools will be required for the removal of the seal.



(v) **Twister locking mechanism** where a twist-action is required to securely fasten the seal. During application, the steel wire will be inserted into the locking body of the seal and a twist on the flap will fasten the seal securely. The attempt to untwist the seal will result in visible breakage of the flap.

(vi) **External locking mechanism** where the seal consists of a shear bolt that breaks away when the cable is tightly secured in the locking. Securing the seal requires the action of twisting of the shear bolt.

(vii) **Snap-on locking mechanism** where the security seal is designed with a click to interlock with the corresponding slot where removal of the seal will result in visible breakage. Our security seals with snap-on locking mechanisms feature audio-haptic feedback that will produce a “click” sound to indicate that the seal is securely fastened.



7.6.1.6 Security levels of seals

Security seals can be broadly classified based on their security level namely, high-security, security and indicative level. Each level provides varying degrees of protection against unauthorised access and tampering.

- **High-security level seals** are mainly made of metallic materials where the robust mechanical properties of the seal create a strong barrier against tampering as well as prolonging the time required for tampering with the seal. In addition, any attempt to tamper will result in obvious and reliable signs of unauthorised access, manipulation or alteration as specialised tools are required for the removal of seals under the high-security level.

Given the durability and reliable tamper-evident features, the applications of high-security seals are mainly for valuable or highly regulated goods. These include containers for international shipping and freight forwarding to prevent smuggling, theft and tampering during the logistic process. Additionally, it is also commonly used during the handling of pharmaceutical, defence, hazardous and other regulated goods to ensure the integrity and security of such goods during transportation and storage. Generally, the locking mechanism used for high-security level seals is container bolt seal mechanism.

For the FYE Under Review, we have 25 in-house designed and manufactured high-security level security seals certified under ISO 17712 standards.

7. BUSINESS OVERVIEW

- **Security level seals** are made of a combination of metallic and plastic materials, offering a moderate level of protection against tampering. While they provide reliable tamper-evident features, signs of tampering may not be as obvious compared to high-security seals. Inspecting the seal may be required to determine if there has been any potential tampering. Lightweight tools are required for the removal of security level seals.

The application of security seals under this category is mainly for applications where a moderate level of security is required such as general cargo or goods. Generally, the locking mechanism used for security level seals is pull tight locking mechanism.

For the FYE Under Review, we have two in-house designed and manufactured security level security seals certified under ISO 17712 standards.

- **Indicative level seals** are mainly made of plastic materials to provide a basic level of protection against tampering. The key function of these seals is its tamper-evident feature providing signs of unauthorised manipulation or alteration. Inspecting the seal may be required to determine if there has been any potential tampering. Generally, seals under this category have low tensile strength and the removal of seals can be easily done by applying some force by hand without using any tools.

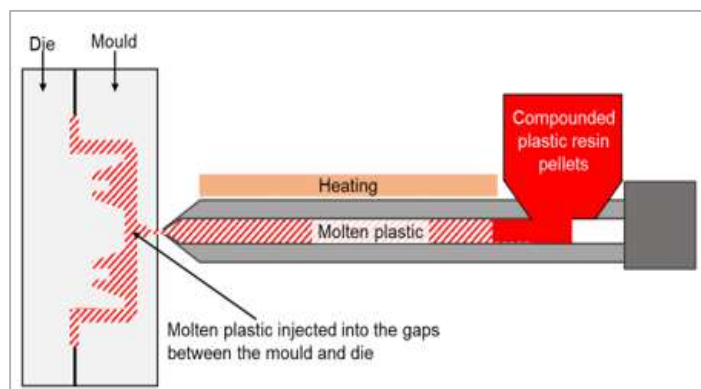
The application of seals under the indicative level is mainly for goods that are of relatively low value and unregulated goods, or for short distance shipping. In addition, it is also commonly used for utility meters to prevent unauthorised access, ensuring the integrity of the readings. Generally, the locking mechanism used for indicative level security seals include fixed length, pull tight, padlock, twister, external and snap-on locking mechanism.

For the FYE Under Review, we have seven in-house designed and manufactured indicative level security seals certified under ISO 17712 standards.

7.6.1.7 Our manufacturing capabilities

Our manufacturing of security seals involves an injection moulding process where the plastic resin mixture is melted into molten form and injected into a mould-die set to create plastic parts with the desired shape. An injection mould consists of two halves, one of which is connected to a movable platen (which is the die) while the other is connected to a stationary platen (which is the mould). The movable die platen is designed to exert high pressure against the mould platen to provide a good seal leaving only the cavity designed for the molten resin mixture to fill to form the desired plastic part. The plastic resin mixture goes through a melting process where the molten plastic mixture is forced into the mould-die set to fill the cavity to form the plastic part. When the molten plastic is cooled, the movable die platen retracts and the solidified plastic part would have been formed.

Our injection moulding machine with mould-die set



7. BUSINESS OVERVIEW

As at the LPD, our manufacturing facilities in Selangor, Malaysia are equipped with nine vertical and 30 horizontal injection moulding machines.

The vertical injection moulding machines are characterised by the vertical movement of the platen. We have eight vertical injection moulding machines that require manual operations of the machine where our personnel will feed the plastic resin mixture into the machine and control the operation including the injection of molten plastic as well as the pressing and releasing of the die. Generally, each of the vertical injection moulding machines requires three to five personnel for the operation of the machine.

Our vertical injection machines have a clamping force ranging between 160 tonnes and 300 tonnes. The level of clamping force will determine the maximum size and number of parts that can be formed in one pressing. For example, a higher clamping force may be able to produce more parts of the same size within one mould compared to a lower clamping force. If it is for only one plastic part being formed, then a higher clamping force can accommodate a large-sized plastic part compared to a lower clamping force.

The horizontal injection moulding machines are characterised by the horizontal movement of the platen. We have 30 semi-automatic horizontal injection moulding machines where our personnel will feed the plastic resin mixture into the machine while the other operations of the machine including the injection of molten plastic as well as the pressing and releasing of the die are pre-programmed onto the machine for automation. Generally, only one personnel is required for the operation of two horizontal injection moulding machines. Our horizontal injection machines have a clamping force ranging between 100 tonnes and 400 tonnes.

Our manual vertical injection moulding machine



Our horizontal injection moulding machine



7. BUSINESS OVERVIEW

In addition, as at the LPD, we have one fully-automated vertical injection moulding machine where the operation of the machine from the feeding of plastic resin mixture, injection of molten plastic as well as the pressing and releasing of the die are pre-programmed onto the machine for automation.

Our fully-automated vertical injection moulding machine



7.6.1.8 Our supporting facilities

Mould tooling facilities

We have the facilities to carry out the fabrication of moulds, also referred to as mould tooling. Generally, we purchase mould base from our suppliers and engage external parties for the general fabrication of the mould base. Once the general fabrication of the mould is completed, the intellectual properties design components of the mould will be fabricated in-house at our mould tooling facilities. This enables us to have better protection on the design of our security seals.

We also have supporting facilities to carry out in-house repair and maintenance of moulds. The tolerance of moulds and dies often runs after prolonged usage due to wear and tear. As such, we carry out regular dimension testing of the injected parts to ensure they are produced to the specified tolerance. The specified tolerance for most of the moulds is 0.05mm.

We have technical personnel capable of designing the moulds using SolidWorks, which is a 3D computer-aided-design software that enables us to produce the design of the moulds for our security seals. The computer-aided-design is then loaded onto our computer numerically controlled machine to automatically produce the required shaped mould.

Our in-house tooling facilities also enable us to carry out continuous improvement of the efficiency and quality of output of our manufacturing operations as we are able to improve the design of the moulds when required.

7. BUSINESS OVERVIEW

Our mould tooling facilities



Mixing and material handling facilities

One of the key input materials for the manufacture of our plastic security seals is plastic resin. We have an in-house mixing and material handling facility to prepare plastic resin mixtures for our manufacturing operations.

We source plastic resin, masterbatch and other additives such as biodegradable and UV additives which we then mix in their specified proportion based on the properties required for the security seal in our mixing and material handling facility. Masterbatch is a compounded form of pre-mixed pigments to provide colour to the plastic parts, it may also include some other additives such as calcium carbonate to be used as fillers and/or for the provision of white colour and to increase brightness intensity. Additives are substances that can be used to alter the properties of the plastic so that specific performance characteristics can be achieved. For example, biodegradable additives can be used to provide biodegradable properties to the plastic part.

Our mixing and material handling facilities for compounding of plastic resins



Laser marking facilities

7. BUSINESS OVERVIEW

We have laser marking facilities which enable us to provide customised laser marking of security seals based on customers' requirements. Our laser marking includes marking barcodes, QR codes, serial numbers and logos onto plastic parts of our security seals.

As at the LPD, we have a total of 25 laser marking machines to support our manufacturing operations in Malaysia. In addition, we collectively have nine laser marking machines at four of our offices in UK, France, Hungary and USA. Our foreign offices in UK, France, Hungary and USA usually hold some common stocks of unmarked security seals to meet deliveries promptly. As such, they would require laser marking facilities to customise the security seals according to customers' specifications.

Our laser marking facilities



Security bag manufacturing facilities

Our security seal products also include security bags. As at the LPD, we have three security bag conversion machines and one security bag printing machine for the production of our security bags. The processes for our security bags include converting the security bag from plastic films, printing designs provided by the customer and cutting of plastic sheets to obtain the desired size including A3, A4 and A5 and other dimensions. Invisible UV ink can also be used for printing security bags in our facility.

We buy plain plastic films in roll form from third-party suppliers for our security bag-making process. Manufacturing of plastic sheets is a specialised process requiring investments in machines and equipment. Based on our current volume usage and requirement, it is not economically viable for us to carry out in-house manufacturing of plastic sheets.

7.6.1.9 Our security seals

Our security seals are mainly made of polypropylene (copolymer and homopolymer), followed by polycarbonate, nylon, low density polyethylene, acetal and general-purpose polystyrene and other plastic resins as well as metallic materials including steel and aluminium. They are either fully plastic, plastic with metal parts or fully metallic. All the design and manufacturing of our security seals are carried out in-house at our production facility at the No. 29 Property, except for traded items which are purchased from third-party suppliers. In addition, we also purchase metal parts and some of the plastic parts for the manufacturing of our security seals. Our security seals can be broadly classified into four categories as indicated below:

(i) Plastic seals

Plastic seals are security seals mainly made of plastic materials. They are generally lightweight and convenient to use, and at the same time provide tamper-evident features with indicative level of security. For the FYE Under Review, we have 113 products under the plastic seal category with minimum tensile strength ranging between 0.04kN and 0.74kN. Our in-house designed and manufactured plastic seals are mainly marketed and sold under our brand "Mega Fortris".

Our plastic seals are available in various designs and the locking mechanisms used for our plastic seals include the following:

- Fixed length;
- Pull-tight;
- Padlock;
- Twister; and
- Snap-on locking.

7. BUSINESS OVERVIEW

Some examples of our plastic seals with fixed-length locking mechanisms are as follows:



Airline Padlock (indicative level)



Fort Domino SP (indicative level)



Mega Arrow Seal (indicative level)



Simulock New Version (indicative level)



Simulock (indicative level)

Some examples of our plastic seals with pull-tight locking mechanism are as following:



Dragon Seal (indicative level)



Mini Tight Seal (indicative level)



Keeseal (indicative level)



Fort Double Twin Lock (indicative level)



Mini Fort Single Lock (indicative level)



SP Cash Bag Seal (indicative level)

7. BUSINESS OVERVIEW

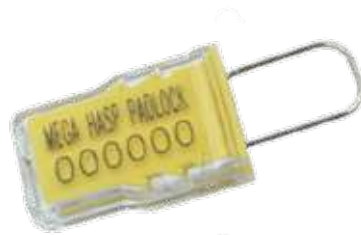
Some examples of our plastic seals with padlock locking mechanisms are as follows:



Airline Padlock (indicative level)



Fort Mini Padlock (indicative level)



Mega Hasp Padlock (indicative level)



Mega Padlock (indicative level)

Some examples of our plastic seals with twister locking mechanism are as follows:



Mega Spinner (indicative level)



Mega Twister Barcode Horizontal (indicative level)



Mega Twister Click (indicative level)



Mega Twister (indicative level)



Mega Twister Barcode Vertical (indicative level)



Mega Twister SP (indicative level)

7. BUSINESS OVERVIEW

Some examples of our plastic seals with snap-on locking mechanisms are as follows:



Clip Box Seal (indicative level)



Triple Lock Casino Seal (indicative level)



Mega Tebco Chamber Seal (indicative level)

Our plastic seals also include security box which is a rigid plastic box for storage of playing cards as follows:



Mega Casino Box

(ii) Container seals

Container seals are security seals made of plastic and metallic materials. They are designed for heavy-duty applications with tamper-evident features and have a high-security level. Container seals are commonly used to seal cargo containers for international shipping and freight forwarding. For the FYE Under Review, we have 25 container seals with minimum tensile strength ranging between 0.54kN and 9.81kN. Our in-house designed and manufactured container seals are mainly marketed and sold under our brand "Mega Fortris".

Our container seals are available in various designs that use the container bolt seal mechanism. It consists of a bolt and a barrel which are moulded together for ease of handling. During application, the bolt and barrel are detached and then securely fastened together for high-strength closure.

7. BUSINESS OVERVIEW

Some examples of our container seals are as follows:



Flexi Klick (high-security level)



Fort Container Seal (high-security level)



Klicker 2K (high-security level)



Container Bolt Lock (high-security level)

(iii) Cable seals

Cable seals are security seals which comprise galvanised steel wire to provide tamper-evident features and comprise various designs to provide indicative, security and high-security levels. For the FYE Under Review, we have 28 cable seals with minimum tensile strength ranging between 0.98kN and 9.81kN. Our in-house designed and manufactured cable seals are mainly marketed and sold under our brand “Mega Fortris”.

Our cable seals are available in various design and the locking mechanism for our cable seals include the following:

- Fixed length; and
- Pull-tight.

Some examples of our cable seals with fixed-length locking mechanisms are as follows:



Cable Plus XXL (indicative level)



Carrier Cable Seal (high-security level)

7. BUSINESS OVERVIEW

Some examples of our cable seals with pull-tight locking mechanisms are as follows:



Maxi Cable Breakaway 500 (high-security level)



Fort Medium Cable Lock (security level)



Maxi Cable Lock Zinc 500 (high-security level)



Medium Cable Lock Zinc 350 (high-security level)



Mini Cable Lock Premium 150 (indicative level)



Meter Valve Cable Breakaway (indicative level)

(iv) Security bags

Security bags are used to contain goods for security purposes and to ensure the integrity of the sealed goods during transportation and storage. Strong self-adhesive strips are designed at the closure of the security bags and once the bag is sealed, any attempt to re-open the bag will result in visible signs of potential tampering. Our security bags are available in various sizes including A3, A4, A5 and other dimensions.

Some examples of our security bags are as follows:



Generic Security Temper-Evident Bag (indicative level)



International Civil Aviation Organisation Security Temper-Evident Bag (indicative level)

7. BUSINESS OVERVIEW



Breathable Security Temper-Evident Bag (indicative level)

7.6.2 Trading and related services

Our trading and related services segment accounted for 19.75%, 21.87%, 23.63% and 26.84% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

We are involved in the trading of related products including load securement and other related products and services to complement our design and manufacturing of security seals operations. Activities under the trading segment mainly involve buying these related products in bulk and reselling them in smaller quantities without any processing. The products sold under our trading segment are sold under third-party brands or without brands.

(a) Load securement products

Load securement products are used to safely secure cargo and loads during transportation to prevent shifting and damage to the cargo. Transportation vessels that may require load securement products include ships, trains, planes and trucks. The type of load securement products that we have been supplying include dunnage bags, polyester cord strapping and lashing systems.

(b) Other related products and services

Other tamper-evident products that we have been supplying comprise security tapes, tamper-evident labels, tamper-evident boxes and other related products such as security boxes and bags, TITO tickets, and UV casino scanner.

In addition, we distribute and maintain a playing card security box tracking software system, namely Mega Casino Management System, which enable our customers which are casino operators to track and monitor the movement, status and historical information of the security boxes throughout the supply chain. This includes tracking the movement of the playing cards in the security boxes which are kept in the warehouse of the playing cards till their destruction. The tracking and monitoring of the security boxes can be carried out by scanning the unique barcode marked on the security seals.

7. BUSINESS OVERVIEW

7.7 OPERATIONAL FACILITIES

The location of our operational facilities as at the LPD are as follows:

Company	Main Functions	Principal place of business / Country of incorporation
Mega Fortris	Group head office, manufacturing and storage facilities ⁽¹⁾	Shah Alam, Selangor, Malaysia
Mega Fortris (Singapore)	Operational office ⁽¹⁾	Woodlands, Singapore, Singapore
Mega Fortris New Zealand	Operational office, and storage facility ⁽¹⁾	Takanini, Auckland, New Zealand
Mega Fortris Australia	Operational office, and storage facility ⁽¹⁾	Mona Vale, New South Wales, Australia
Mega Fortris (Europe)	Operational office	Hørsholm, Hovedstaden, Denmark
Mega Fortris LSN ⁽²⁾	Operational office	Hørsholm, Hovedstaden, Denmark
Mega Fortris (UK)	Operational office, and storage facility ⁽¹⁾	Burntwood, Staffordshire, United Kingdom
Mega Fortris HU	Operational office, and storage facility ⁽¹⁾	Fehérvári, Budapest, Hungary
Mega Fortris France	Operational office	Fretin, Nord, France
Mega Fortris ME	Operational office, and storage facility ⁽¹⁾	Dubai Silicon Oasis, Nadd Hessa, United Arab Emirates
Mega Fortris BNL	Operational office	Rijnsburg, South Holland, The Netherlands
Mega Fortris Americas	Operational office, and storage facility ⁽¹⁾	South Brunswick, New Jersey, United States of America
Mega Fortris (HK)	Storage facility ⁽¹⁾	New Territories, Hong Kong, China

Notes:

- (1) Storage facility with storage space for at least one palette of security seals.
- (2) Mega Fortris LSN has ceased operations since 1 July 2023.

7. BUSINESS OVERVIEW

7.8 MACHINERY AND EQUIPMENT

As at 30 June 2024, our main machinery and equipment for our manufacturing operation are located in Selangor, Malaysia and are as follows:

Major tools, machinery and equipment	Function	Quantity	Net book value RM'000	Average useful lifespan ⁽¹⁾
Injection moulding machine	To shape the main body of the security seal by injecting molten plastic into moulds	38	426	5 years
Ultrasonic welding machine	To join various components of the security seal using high-frequency ultrasonic waves	11	* (2)	5 years
Laser marking machine	To add unique identification marks to the security seal	26	134	5 years
Cable cutting machine	To cut steel cable to the desired length	4	78	6 years
Security bags printing machine	To print customised design and information on security bags	1	* (2)	5 years
Security bags conversion machine	To convert plastic films into security bags	3	232	5 years
Semi-automated assembly machine – container seal	Semi-autonomous assembly of the components of container seals	2	* (2)	5 years
Semi-automated assembly machine – plastic seal	Semi-autonomous assembly the components of plastic seals	3	581	8 years
Fully-automated manufacturing line – container seal	Semi-autonomous production of container seals	1	2,104	10 years
Moulds	To shape and form the plastic material into the desired security seal design	287	1,629	5 years
Vertical computer numerical control machine	Precision machining of tools, dies, moulds and jigging	3	48	5 years
Surface grinding machine	Precision grinding of moulds and dies	3	* (2)	5 years
Thermal discharge machine	Precision forming of moulds	4	199	5 years
Conventional milling machine	General machining and jigging works	3	* (2)	5 years
Lathe machine	General turning and machining	1	* (2)	5 years
Total			5,431	

Notes:

- (1) The average useful lifespan of the machinery and equipment is based on the accounting policy adopted.
- (2) Less than RM1,000.

7. BUSINESS OVERVIEW

7.9 PRODUCTION OUTPUT AND CAPACITY

We manufacture security seals at our production facility. The parameters used to calculate capacity, output and utilisation rates are as follows:

- (i) capacity is calculated primarily based on machine design capacity of our injection moulding machines:
 - (a) operating 24 hours (three shifts) per day for 6 days a week;
 - (b) less public holidays (15 days); and
 - (c) less 10% for changing of mould and downtime for repair and maintenance;
- (ii) output is based on pieces of plastic seals, container seals, main body of cable seals or security bags; and
- (iii) utilisation rate is calculated by dividing the output by the capacity.

Our production capacity, output and utilisation rate for our production facilities in Selangor, Malaysia for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as below:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Plastic seals, container seals and cable seals				
Production capacity ⁽¹⁾ (‘000 pieces)	538,807	538,807	538,807	550,732
Production output ⁽²⁾ (‘000 pieces)	385,665	407,393	418,409	448,296
Utilisation rate ⁽³⁾	72%	76%	78%	81%
Security bags				
Production capacity (‘000 pieces)	19,310	19,310	19,310	19,310
Production output ⁽²⁾ (‘000 pieces)	6,329	8,345	5,493	8,748
Utilisation rate ⁽³⁾	33%	43%	28%	45%

Notes:

- (1) Based on eight vertical and 30 horizontal injection moulding machines in FYE 2021, FYE 2022 and FYE 2023. In FYE 2024, it includes an additional one vertical injection moulding machine.
- (2) We commonly operate two shifts (eight hours per shift) per day for six days a week.
- (3) Computed based on production output divided by production capacity of the respective FYE multiply by 100%.

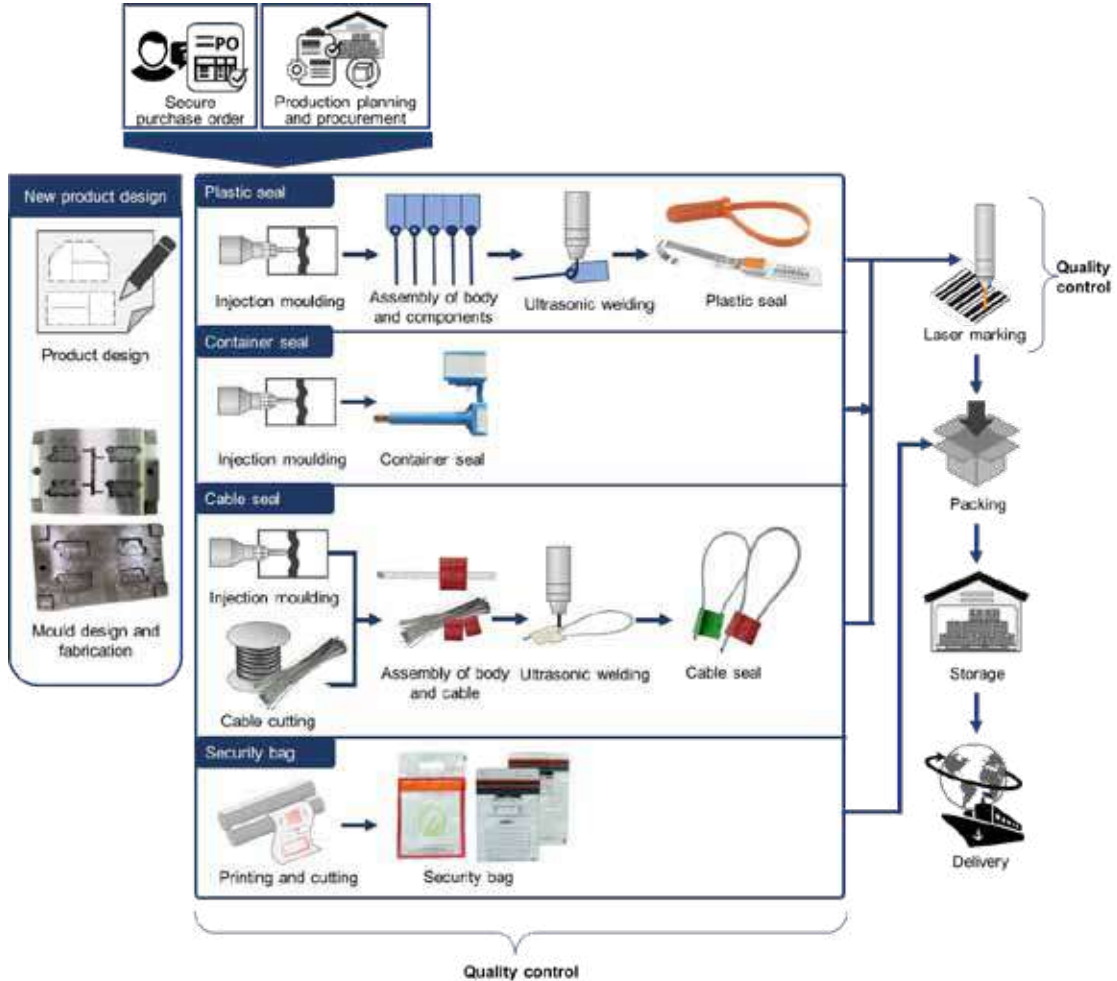
In November 2023, we have commenced the use of an additional vertical injection moulding machine which is fully-automated where the operation of the machine from the feeding of plastic resin mixture, injection of molten plastic as well as the pressing and releasing of the die are pre-programmed onto the machine for automation. Following its full commencement, as at 30 June 2024, our annual production capacity of security seals (excluding security bags) is approximately 551 million pieces.

7. BUSINESS OVERVIEW

7.10 PROCESS FLOW

7.10.1 Design and manufacturing

The general process flow for the design and manufacture of our plastic seals, container seals, cable seals and security bags is as follows:



New product design

Our design and development department will carry out new product design or enhance existing products. This includes product conceptualisation, defining the product's features, specifications and requirements, as well as creating engineering drawings, specifications and prototypes.

Our security seals' prototypes are built using 3D printing technology and undergo testing to ensure they meet product specifications and our customer requirements. We will assess the functionality and performance of the prototypes, along with the manufacturability, testability and product design feasibility. In addition, some of the prototypes will be sent to our customers to obtain their feedback. Based on testing results and feedback from our customers, adjustments and refinements will be made to the product design. This often involves multiple iterations of redesign and prototyping to achieve the desired product specifications and quality.

7. BUSINESS OVERVIEW

After the product successfully passes these evaluations, moulds and dies for the new product design will be designed and fabricated. We source mould bases from our supplier, while the modification of the mould to suit our specific mould design are conducted in-house at our mould tooling facilities. As for dies, they may be fabricated in-house or outsourced to external party depending on the type of dies.

Secure purchase order

Our operation process typically begins with customer enquiries, where potential customers will specify the security seals required and request for quotations. In some cases, our potential customers may have specific requirements that require a new product design.

We will provide a quotation based on the type and quantity of security seals required by customers. After reviewing and acceptance of the quotation, customers will issue a purchase order for us to fulfil. Generally, the information stipulated in the purchase order includes product type, specifications, quantity, pricing, delivery location and date, as well as payment terms. In addition, we have master supply agreements which set out the general terms and conditions with validity periods with several customers for the supply of our security seals. Please refer to Section 7.4 of this Prospectus for further information.

Generally, our sales are based on purchase order as and when required by the customers. With some of our customers, they provide us with an estimated order quantity forecast which indicate the volume and type of products required for a specific period. This will provide us with sufficient time to plan our production and delivery schedule. However, rolling forecasts are not contractually binding and merely provide an indication of future purchase patterns to assist in our production planning.

Production planning and procurement

With the purchase order in hand, we will carry out production planning which takes into consideration factors such as the existing level of inventory of our finished goods, availability of raw materials and delivery schedule to ensure that we can fulfil our customers' orders promptly. If required, we will place orders with our suppliers for input materials after taking into consideration the existing inventory of raw materials.

Our input materials are sourced from both domestic and foreign suppliers. Typically, deliveries from domestic suppliers would take approximately five to seven days, while deliveries from foreign suppliers would take approximately four to six weeks.

All input materials received will undergo Acceptable Quality Limit sampling process which include weighing, physical inspection, dimensional inspection, functional testing, quantity verification and labelling. In addition, sample of certain input materials such as wire cable will be collected and sent to an external laboratory for testing and analysis to evaluate their suitability for the intended applications. The Acceptable Quality Limit samples will also be stored for future reference as part of our ISO 9001:2015 standard operating procedure. Subsequently, the inspected input materials are stored in our warehouse and used on a first-in-first-out basis.

Injection moulding

The manufacturing process for our plastic seals and container seals involves injection moulding to create the main body of the seal. For cable seal that incorporate plastic and metallic components, injection moulding is also employed where the metal parts are moulded with the plastic material.

Before the injection moulding process, our mixing and material handling department will prepare the selected plastic material by drying the plastic resin to remove moisture and blending the plastic resin with masterbatch and additives. All the input materials are compounded as in mixed, to become a homogenous powder.

7. BUSINESS OVERVIEW

The plastic resin mixture is fed into the hopper of the injection moulding machine to be melted into a molten state. The molten compounded plastic is then injected into a mould cavity. As it cools, the molten compounded plastic solidifies and takes on the desired shape of the plastic part. Each security seal is visually inspected for any visible defects, irregularities or physical damage, including checks for cracks, deformities or inconsistencies.

Cable cutting

For cable seals, the steel cable in coil form is cut to the desired length based on product or customer specifications. Once the cable is cut, it is fitted with end fittings or loops to anchor the cable within the seal.

Assembly and ultrasonic welding

Depending on the design of the plastic seal, the main body may be assembled with various components such as the metal locking mechanism, jaws and locking pins. The assembled plastic and metal components will then undergo an ultrasonic welding process to securely join them together. Ultrasonic welding relies on an ultrasonic transducer to generate high-frequency mechanical vibrations that generate heat to soften and melt the plastic at the contact surface with the metal to create a strong bond between the plastic and metal parts.

For cable seals, the cut cable is threaded through the body of the cable seal and engaged with the locking mechanism to create a secure loop when the seal is closed. In some applications, additional components are welded as part of the assembly, and this allows colour variations to be used for each individual component in the assembly.

Quality control

During and after each manufacturing process, the security seals are visually inspected for any visible defects, irregularities or physical damage, including checks for cracks, deformities or inconsistencies. After the completion of the manufacturing process, samples of the security seals from each batch will be inspected and tested for their specifications, performance and quality by our quality assurance department to ensure that our security seals meet industry standards and customer specifications. Among others, tests on tensile strength, durability and tamper resistance are carried out.

Any security seals that do not meet the specified quality standards are excluded from the approved ones. These nonconforming seals are either reworked or disposed of, depending on the nature of the defects. Based on our ISO 9001:2015 standard operating procedure, we will temporarily suspend the production line that produce the nonconforming output and initiate investigations and corrective measures to rectify the production line.

Laser marking

Security seals that passed the quality control tests will be laser marked according to customer requirements. Laser marking is used to add unique identification marks to each security seal, where common marks include name, logo, barcode, serial number and QR codes that help with tracking and security.

7. BUSINESS OVERVIEW

Printing and cutting of security bags

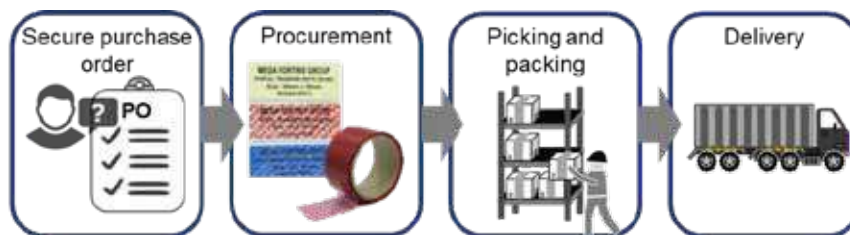
For our security bags, we will configure the required print settings, including the choice of ink, colours and design to be printed on the bags based on customer requirements. The low linear density polyethylene bags will be unrolled and fed into the flexographic printing machine, through to the printing station of the machine. After printing, the bags will pass through a drying station to ensure the ink dries and does not smudge or transfer onto other surfaces. Once the printing is completed, the continuous roll of printed bags is cut into individual bags. During and after printing and cutting, quality control checks are conducted to ensure the printed design aligns correctly on each bag and there are no defects or issues in the printing process.

Packing, storage and delivery

The security seals and bags will be packed and stored in our warehouse before being dispatched to our customers. Generally, the order will be delivered to our customers between three and six weeks from the day of the confirmation of purchase order.

7.10.2 Trading

The general process flow for the trading of load securement and other tamper-evident products is as follows:



Secure purchase order

The initial phase typically begins with customer enquiries and requests for quotations, where they will specify the type and quantity of products they intend to purchase. We will then provide a quotation to the customer.

After reviewing and approving the quotation, customers will issue a purchase order for us to fulfil. Generally, the information stipulated in the purchase order includes product type, quantity, pricing, delivery location and date, as well as payment terms.

Procurement

Upon receiving the PO, our personnel will check on the availability of stocks of the required products in our inventory and place orders with our suppliers, if required.

Picking and packing

On the delivery date, a picking list of order will be generated and our warehouse personnel will pick the items from our inventory based on the picking list. Inspection on the products will also be carried out to ensure there are no defects and pack them into packages to be delivered to the customers' specified destination.

7. BUSINESS OVERVIEW

Delivery

Our customers can opt to collect the products from our warehouse or have the products delivered to their address for which a delivery fee will be charged.

Upon the receipt of goods, our customers are required to sign and stamp the delivery note as proof of delivery. The signed delivery note is then returned to us for documentation and record keeping.

7.11 RESEARCH AND DEVELOPMENT

We do not have a research and development policy. Nevertheless, we carry out research and development activities which focuses on the design and development of new products and to ensure the quality standard of our security seals is maintained. Further, our research and development is an on-going process where we aim to improve product performance and cost-effectiveness taking into consideration the applications of the security seals under various environmental conditions including extreme weather conditions.

For the FYE Under Review, our research and development expenses accounted for 0.69% (RM0.94 million), 0.61% (RM0.95 million), 0.56% (RM0.90 million) and 0.93% (RM1.56 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

The design and development of new products as well as the quality assurance activities of our security seals are carried out in-house in our production plant in Kota Kemuning, Selangor. As at the LPD, we have 19 patents and 20 industrial designs registered with various authorities from countries including, Malaysia, China, Philippines, Singapore, Chile, Costa Rica, Macao, Taiwan, Korea, USA and UK to protect our intellectual properties. Please refer to Section 7.22 and Annexure B of this Prospectus for further details on our registered patents and industrial designs.

For the design and development of new products, we undertake end-to-end design of security seals from product conceptualisation up to the creation and testing of prototypes. The prototypes are built using our 3D printers, after which various tests and analysis are conducted to evaluate their performance in terms of feasibility, functionality, durability and reliability of the design. Some of the key parameters assessed include the tamper resistance, durability, tensile strengths, environmental resistance, flexural strengths, and the suitability for the intended application. In addition, the prototypes may also be distributed to our customers to obtain feedback which will enable us to improve and enhance the design of the security seal before the commencement of large-scale production.

For quality assurance, we perform sample weighing, visual inspection as well as sample testing and analysis upon receiving our input materials to evaluate their composition and suitability for the intended applications. Once the manufacturing process is completed, we will carry out comprehensive testing on the samples of our final products. This covers a wide range of parameters, including material properties, performance and compliance with industry standards to ensure that our security seals meet industry standards and customer specifications.

The following are some of the tests and analyses that we carry out in-house:

No.	Tests	Main objective of the test
(i)	Digital rockwell hardness test	To measure the hardness of the security seal
(ii)	Durability test	To evaluate the durability of the seal under various environmental conditions and to assess the seal's ability to withstand repeated handling and stress without compromising

7. BUSINESS OVERVIEW

No.	Tests	Main objective of the test
(iii)	Environmental resistance test	To assess the resistance of the seal environmental factors such as exposure to UV radiation, fluctuation in temperature, humidity and salt spray
(iv)	Impact test	To assess the security seal's ability to withstand sudden shocks or impacts
(v)	Material strength test	To assess the strength and integrity of the materials and to assess the resistance of the materials to wear and tear overtime
(vi)	Pull test	To measure the tensile strength of the security seal
(vii)	Tamper resistance test	To assess the resistance to common tampering methods such as cutting, heating, freezing or chemical tampering

As at the LPD, our research and development activities are headed by our Group COO, Jason Francis White and the number of personnel in our design and development, and quality assurance departments is as follows:

Department	Number of personnel
Design and development	6
Quality assurance	26
Total	32

7.12 TECHNOLOGIES USED

We do not employ any special technology in our business operations. However, we rely on the manufacturing machinery and equipment to carry out our business operations.

7.13 SEASONALITY

We do not experience any material seasonality in our business as the demand for our products is not subject to seasonal fluctuations.

7. BUSINESS OVERVIEW

7.14 INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

We did not experience any material interruptions to our business during the past 12 months of our operations before the LPD. However, our business operations were interrupted during the COVID-19 period. Please refer to Section 9.1.14 of this Prospectus for further details on our business operations during the COVID-19 period.

In addition, we experienced shipment delays due to disruptions along the Suez Canal-Red Sea route where some of our shipments to the USA and Europe have experienced delays resulting in extended lead times of an additional four to six weeks starting in May 2024. According to the IMR Report, disruptions along the Suez Canal-Red Sea route have led to delays and increased transportation costs for users choosing alternative, longer routes. Moreover, shippers who continue to use the Suez Canal-Red Sea route will face higher insurance premiums. Please refer to Section 9.2.3 of this Prospectus for further details.

7.15 SALES AND MARKETING ACTIVITIES

Our marketing positioning and activities to address business opportunities, retain existing customers and secure new customers are focused on the following:

- (i) **In-house designed and manufactured security seals:** We position ourselves as a security seal specialist with in-house design and manufacturing capabilities in meeting the needs and requirements of target customers in a number of end-user industries. This includes transportation and logistics, F&B manufacturing and agricultural products, retail, petrochemicals and manufacturing, leisure, hospitality and gaming, government, and other industries.

Our revenue derived from our in-house designed and manufactured security seals accounted for 80.25%, 78.13%, 76.37% and 73.16% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

- (ii) **Branding:** We mainly market our in-house designed and manufactured security seals under our “Mega Fortris” brand. We continue to emphasise on building brand equity to create brand awareness, loyalty and positive image through our sales and marketing activities.

- (iii) **Wide market coverage:** We position ourselves as having wide market coverage supported by our manufacturing and sales operations in Selangor, Malaysia as well as offices in 11 foreign countries.

Our revenue is mainly derived from our foreign operations which accounted for 78.65%, 79.27%, 75.48% and 73.41% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively. Our major countries of foreign operations were USA, UK, and Denmark which accounted for 10% or more of our total revenue for at least one of the FYE Under Review. Revenue from our operations in Malaysia accounted for 21.35%, 20.73%, 24.52% and 26.59% of our total revenue FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

- (iv) **Maximise distribution channels:** We adopt both direct and indirect distribution channels to maximise our market coverage to reach out to as many customers and end-users as possible. Through our direct distribution channel, we can obtain feedback on our products from our customers and demonstrate a commitment to customer satisfaction. Our indirect distribution channel uses intermediaries mainly resellers including distributors and traders which will expand our product reach via their respective customer base and networks.

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Our revenue derived from direct distribution channel accounted for 70.35%, 69.86%, 71.95% and 74.15% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

- (v) **Marketing exhibitions and events:** We participate in exhibitions to promote our products to potential customers and create brand awareness. For the FYE under Review and up to the LPD, we participated in the following exhibitions and events:

<u>Date</u>	<u>Exhibitions and event</u>	<u>Location</u>	<u>Organiser</u>
June 2024	Global Gaming Expo (G2E) Asia	Macao, China	American Gaming Association and Reed Exhibitions Limited
May 2023	CCI of Tajikistan Exhibition	Dushanbe, Tajikistan	Chamber of Commerce and Industry of Tajikistan
November 2022	Asian Gaming Power 50	Manila, Philippines	Inside Asian Gaming
September 2022	The Ulaanbaatar Partnership 2022 International Trade Fair	Mongolia	Mongolia Ministry of Food, Agriculture and Light Industry
August 2022	Global Gaming Expo	Singapore	Relx Inc.
September 2021	Malaysian Dutch Business Council Virtual Connects Fair	Virtual	Malaysian Dutch Business Council

As at the LPD, we have a total of 46 sales and marketing personnel covering our Malaysia and foreign operations.

7. BUSINESS OVERVIEW

7.16 TYPES, SOURCES AND AVAILABILITY OF INPUT MATERIALS AND SERVICES

7.16.1 Our input materials and services

The types of materials that we purchased for the FYE Under Review are set out below:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
Malaysia operations	39,109	66.91	42,825	62.97	32,086	56.29	34,606	59.34
Input materials for manufacturing operations	36,313	62.13	39,187	57.62	28,028	49.17	29,933	51.33
- Parts and components ⁽¹⁾	23,965	41.00	24,976	36.73	17,717	31.08	16,176	27.74
- Plastic resins ⁽²⁾	8,938	15.29	9,479	13.94	6,749	11.84	8,126	13.93
- Masterbatch and other additives	1,288	2.20	1,410	2.07	1,349	2.37	2,460	4.22
- Packaging and related materials	1,115	1.91	1,324	1.95	1,285	2.25	1,474	2.53
- Plastic sheets, tapes and films ⁽³⁾	906	1.55	1,879	2.76	817	1.44	1,588	2.72
- Other ⁽⁴⁾	101	0.18	119	0.17	111	0.19	109	0.19
Die-casting materials and tooling ⁽⁵⁾	1,356	2.32	1,473	2.17	1,413	2.48	1,238	2.12
Subcontracted services ⁽⁶⁾	586	1.00	854	1.26	700	1.23	655	1.12
Finished goods for trading operations	854	1.46	1,311	1.92	1,945	3.41	2,780	4.77
- Other related products and services ⁽⁷⁾	813	1.39	1,238	1.82	1,895	3.32	2,026	3.47
- Load securement products	41	0.07	73	0.10	50	0.09	754	1.29
Foreign operations	19,339	33.09	25,182	37.03	24,920	43.71	23,710	40.66
Finished goods and materials for trading operations	19,339	33.09	25,182	37.03	24,920	43.71	23,710	40.66

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	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM '000	%	RM '000	%
- Load securement products	11,527	19.72	16,620	24.44	15,149	26.57	16,416	28.15
- Other related products and services ⁽⁷⁾	7,812	13.37	8,562	12.59	9,771	17.14	7,294	12.51
Total purchases	58,448	100.00	68,007	100.00	57,006	100.00	58,316	100.00

Notes:

- (1) Include semi-finished materials such as sub-assembled metal casing and parts including metal pins, bolts and bush, metal jaws, metal plates, metal wire ropes and padlock springs. It also includes security seals that are produced by Shaoxing Mega Fortris, our previous subsidiary with a security seal manufacturing facility in China before its cessation of manufacturing operations in April 2022. For FYE 2021 and FYE 2022, the purchase of complete security seals from Shaoxing Mega Fortris was RM11.55 million and RM8.54 million respectively. The company was subsequently deregistered in March 2023. In FYE 2024, it also includes security seals that are contract manufactured by a third-party supplier amounting to RM1.70 million.
- (2) Include mainly polypropylene (copolymer and homopolymer), polycarbonate, nylon, low-density polyethylene, acetal, general-purpose polystyrene and others.
- (3) Include plastic sheets, mainly linear low-density polyethylene printing film as well as tapes and tamper-evident film used in the manufacture of security bags.
- (4) Include consumables used in the manufacture of security bags such as reducer, ink, plates and hotmelt glue.
- (5) Include tooling and related materials for the manufacture of moulds and dies.
- (6) Include capping of cable and plastic seals, moulding of plastic seals and anodising of cable seals.
- (7) Include other tamper-evident products comprising security tapes and labels, other related products (such as (i) security boxes and bags, (ii) TITO tickets, and (iii) UV casino scanner), as well as distribution and maintenance of a playing card security box tracking software system, namely Mega Casino Management System.

7. BUSINESS OVERVIEW

7.16.2 Sources of our input materials and services

The breakdown of input materials purchased by source of supply for the FYE Under Review is set out below:

	FYE 2021 ⁽¹⁾			FYE 2022 ⁽¹⁾			FYE 2023 ⁽¹⁾			FYE 2024 ⁽¹⁾		
	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %
Malaysia operations	39,109	39.59	60.41	42,825	42.66	57.34	32,086	45.63	54.37	34,606	53.90	46.10
Input materials for manufacturing operations	36,313	35.65	64.35	39,187	38.55	61.45	28,028	41.82	58.18	29,933	51.92	48.08
- Parts and components ⁽²⁾	23,965	3.05	96.95	24,976	6.19	93.81	17,717	8.75	91.25	16,176	16.04	83.96
- Plastic resins ⁽³⁾	8,938	100.00	-	9,479	99.81	0.19	6,749	99.94	0.06	8,126	100.00	-
- Masterbatch and other additives	1,288	100.00	-	1,410	100.00	-	1,349	100.00	-	2,460	90.37	9.63
- Packaging and related materials	1,115	100.00	-	1,324	99.62	0.38	1,285	100.00	-	1,474	94.71	5.29
- Plastic sheets, tapes and films ⁽⁴⁾	906	86.09	13.91	1,879	66.63	33.37	817	83.35	16.65	1,588	68.83	31.17
- Others ⁽⁵⁾	101	93.07	6.93	119	100.00	-	111	100.00	-	109	100.00	-
Tooling and related materials for the manufacture of moulds ⁽⁶⁾	1,356	100.00	-	1,473	100.00	-	1,413	97.95	2.05	1,238	100.00	-
Subcontracted services ⁽⁷⁾	586	100.00	-	854	100.00	-	700	100.00	-	655	100.00	-

7. BUSINESS OVERVIEW

	FYE 2021 ⁽¹⁾			FYE 2022 ⁽¹⁾			FYE 2023 ⁽¹⁾			FYE 2024 ⁽¹⁾		
	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %	RM'000	Domestic %	Imported %
Finished goods for trading operations	854	69.91	30.09	1,311	63.92	36.08	1,945	42.98	57.02	2,780	43.81	56.19
- Other related products and services ⁽⁸⁾	813	68.76	31.24	1,238	63.89	36.11	1,895	42.06	57.94	2,026	59.03	40.97
- Load securement products	41	92.68	7.32	73	64.38	35.62	50	78.00	22.00	754	2.92	97.08
Foreign operations	19,339	26.67	73.33	25,182	25.11	74.89	24,920	20.56	79.44	23,710	23.33	77.67
Finished goods for trading operations	19,339	26.67	73.33	25,182	25.11	74.89	24,920	20.56	79.44	23,710	23.33	77.67
- Load securement products	11,527	12.35	87.65	16,620	10.28	89.72	15,149	8.50	91.50	16,415	13.02	86.98
- Other related products and services ⁽⁸⁾	7,812	23.90	76.10	8,562	26.94	73.06	9,771	19.63	80.37	7,294	43.30	56.70
Total purchases	58,448	35.32	64.68	68,007	36.16	63.84	57,006	34.67	65.33	58,316	41.07	58.93

Notes:

- (1) Domestically sourced refers to input materials sourced from the subsidiaries' respective operational base, while imported refers to input materials sourced from outside their operational base.

7. BUSINESS OVERVIEW

- (2) Include semi-finished materials such as sub-assembled metal casing and parts including metal pins, bolts and bush, metal jaws, metal plates, metal wire ropes and padlock springs. For FYE 2021 and FYE 2022, it also includes security seals produced by Shaoxing Mega Fortris, our previous subsidiary with a security seal manufacturing facility in China before its cessation of manufacturing operations in April 2022. For FYE 2021 and FYE 2022, the purchase of complete security seals from Shaoxing Mega Fortris was RM11.55 million and RM8.54 million respectively. The company was subsequently deregistered in March 2023. In FYE 2024, it also includes security seals amounting to RM1.70 million that was contract manufactured by a third-party supplier, Fujitech Holdings Pte Ltd, being one of our major suppliers in FYE 2024.
- (3) Include mainly polypropylene (copolymer and homopolymer), polycarbonate, nylon, low-density polyethylene, acetal, general-purpose polystyrene and others.
- (4) Include plastic sheets, mainly linear low-density polyethylene printing film as well as tapes and tamper-evident film used in the manufacture of security bags.
- (5) Include consumables used in the manufacture of security bags such as reducer, ink, plates and hotmelt glue.
- (6) Include tooling and related materials for the manufacture of moulds and dies.
- (7) Include capping of cable and plastic seals, moulding of plastic seals and anodising of cable seals.
- (8) Include other tamper-evident products comprising security tapes and labels, other related products (such as (i) security boxes and bags, (ii) TITO tickets, and (iii) UV casino scanner), as well as distribution and maintenance of a playing card security box tracking software system, namely Mega Casino Management System.

7. BUSINESS OVERVIEW

As at the LPD, we have our manufacturing base in Malaysia, and sales and technical support offices in Malaysia and 11 foreign countries:

(i) Malaysia operations

Our Malaysia operations purchased the following types of input materials for security seal manufacturing:

- (i) parts and components including semi-finished materials such as sub-assembled metal casing and parts such as metal pins, bolts and bush, metal jaws, metal plates, metal wire ropes and padlock springs. It also includes security seals produced by Shaoxing Mega Fortris;
- (ii) plastic resins, mainly polypropylene (copolymer and homopolymer) followed by polycarbonate, nylon, low-density polyethylene, acetal and general-purpose polystyrene and others. Plastic resins used in our injection moulding process are globally traded commodities and as such, may be subject to global prices. Our average purchase price of plastic resins grew by approximately 16.26% per tonne in FYE 2022. In FYE 2023 and FYE 2024, the average purchase price of plastic resins declined by approximately 10.50% and 7.96% per tonne respectively;
- (iii) masterbatch (pigments for colour) and other additives used in our injection moulding process;
- (iv) packaging and related materials;
- (v) plastic sheets, tapes and films used in the manufacture of our security bags;
- (vi) plastic sheets, mainly linear low-density polyethylene printing film as well as tapes and tamper-evident films used in the manufacture of our security bags; and
- (vii) others mainly include consumables used in the manufacture of security bags such as reducer, ink, plates and hotmelt glue.

We purchased tooling and related materials mainly metal alloy materials, tooling parts and accessories and diesel for the manufacture of moulds and dies used in our injection moulding machines.

We also subcontracted manufacturing services including the capping of cable and plastic seals, moulding of plastic seals and anodising of cable seals to third-parties for us to meet customers' delivery schedule when our production capacity was fully utilised at that time. This collectively accounted for 1.00%, 1.26%, 1.23% and 1.12% of our total purchases of input materials and services for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively.

For our trading segment, we sourced our products from third parties. This included tamper-evident products such as tamper-evident labels, security seals including security tapes, tamper-evident boxes and other related products such as security boxes and bags, TITO tickets, and UV casino scanner. We also sourced load securement products including dunnage bags, polyester cord strapping and lashing systems.

7. BUSINESS OVERVIEW

(ii) Foreign operations

Our foreign operations mainly sourced their security seals from our manufacturing operations in Malaysia to sell in their respective and neighbouring countries.

In addition, our foreign operations purchased externally sourced products from third-party suppliers to complement our range of in-house designed and manufactured security seals as part of our product offerings to meet customer needs and requirements.

Types of input materials, mainly finished goods, that are purchased by our foreign operations include:

- (i) load securement products such as dunnage bags, polyester cord strapping and lashing systems; and
- (ii) externally sourced related products and services including security seals, tapes and labels, and other related products such as security boxes and bags, TITO tickets, and UV casino scanner.

7. BUSINESS OVERVIEW

7.17 MAJOR CUSTOMERS

Our Group's top five major customers and their contributions to our revenue for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2021

Customer name	Principal activities	Location	RM'000	% of total revenue	Length of relationship ⁽¹⁾ (years)	Main products
Brady and its group of companies ("Brady Group") ⁽²⁾	Manufacture and supply of identification solutions and workplace safety products	Belgium, Netherland and Norway	5,847	4.33	10	Security seals
Mega Fortris Phils., Inc ⁽³⁾	Supply of security seals	Philippines	4,857	3.60	17	Security seals
Flink S.A.C ⁽⁴⁾	Supply of security seals	Peru	4,014	2.97	11	Security seals
Interseal S.A. de C.V. ⁽⁵⁾	Supply of security seals	Mexico	3,475	2.57	16	Security seals
Evergreen and its group of companies ("Evergreen Group") ⁽⁶⁾	Container transportation and shipping	Taiwan and Australia	3,387	2.51	11	Security seals
Subtotal of top five customers			21,580	15.97		
Total Group's revenue			135,098			

7. BUSINESS OVERVIEW

FYE 2022

Customer name	Principal activities	Location	RM'000	% of total revenue	Length of relationship ⁽¹⁾ (years)	Main products
Flink S.A.C ⁽⁴⁾	Supply of security seals	Peru	5,015	3.23	12	Security seals
Interseal S.A. de C.V. ⁽⁵⁾	Supply of security seals	Mexico	4,781	3.08	17	Security seals
Mega Fortris Phils., Inc ⁽³⁾	Supply of security seals	Philippines	4,479	2.89	18	Security seals
Solved Distribution Solutions (Pty) Ltd ⁽⁷⁾	Supply of security seals	South Africa	3,454	2.23	1	Security seals
Gusber S.A ⁽⁸⁾	Supply of security seals, moisture protection and fruit preservation products	Ecuador	3,204	2.06	12	Security seals
Subtotal of top five customers			20,933	13.49		
Total Group's revenue			155,211			

7. BUSINESS OVERVIEW

FYE 2023

Customer name	Principal activities	Location	RM'000	% of total revenue	Length of relationship ⁽¹⁾ (years)	Main products
Mega Fortris Phils., Inc ⁽³⁾	Supply of security seals	Philippines	7,109	4.41	19	Security seals
Interseal S.A. de C.V. ⁽⁵⁾	Supply of security seals	Mexico	5,514	3.42	18	Security seals
Pernod Ricard and its group of companies (" Pernod Ricard Group ") ⁽⁹⁾	Production and sales of spirits and wines	UK, Sweden, Ireland and New Zealand	3,721	2.31	20	Security seals
The TJX Companies and its group of companies (" The TJX Group ") ⁽¹⁰⁾	Off-price apparel and home fashion retailer	USA and Canada	3,299	2.05	8	Security seals
Flink S.A.C ⁽⁴⁾	Supply of security seals	Peru	3,243	2.01	13	Security seals
Subtotal of top five customers			22,886	14.20		
Total Group's revenue			161,303			

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FYE 2024

Customer name	Principal activities	Location	RM'000	% of total revenue	Length of relationship ⁽¹⁾ (years)	Main products
Interseal S.A. de C.V. ⁽⁵⁾	Supply of security seals	Mexico	7,375	4.42	19	Security seals
MFIB ⁽¹¹⁾	Supply of security seals	Spain	5,384	3.23	2	Security seals
Mega Fortris Phils., Inc ⁽³⁾	Supply of security seals	Philippines	4,754	2.85	20	Security seals
United States Postal Service ⁽¹²⁾	Courier and postal services	USA	4,237	2.54	8	Security seals
Flink S.A.C ⁽⁴⁾	Supply of security seals	Peru	3,573	2.14	14	Security seals
Subtotal of top five customers			25,323	15.18		
Total Group's revenue			166,712			

Notes:

- (1) Length of relationship as at the respective financial years.
- (2) Brady Group includes W.H Brady N.V. (Belgium), Transposafe Systems Holland B.V. (Netherlands) and Brady B.V. (Norway), which are subsidiaries of Brady Corporation listed on the New York Stock Exchange.
- (3) Mega Fortris Phils., Inc is our Group's third party appointed distributor for the sales of our security seals in Philippines, and is authorised to use the name "Mega Fortris" under their distribution agreement with us. Please refer to Section 7.22 of this Prospectus for further details.
- (4) Flink S.A.C is a private company in Peru.
- (5) Interseal S.A is a private company in Mexico.

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- (6) Evergreen Group includes Evergreen Marine Corporation (Taiwan) Ltd listed on the Taiwan Stock Exchange and its subsidiary, Evergreen Shipping Agency (Australia) Pty Ltd (Australia).
- (7) Solved Distribution Solutions (Pty) Ltd is a private company in South Africa.
- (8) Gusber S.A is a private company in Ecuador.
- (9) Pernod Ricard Group includes Chivas Brothers Ltd (UK), Irish Distillers Ltd (Ireland), Pernod Ricard Winemakers New Zealand Ltd (New Zealand) and The Absolut Company AB (Sweden), which are subsidiaries of Pernod Ricard SA listed on Euronext Paris.
- (10) The TJX Group includes The TJX Companies, Inc is listed on the New York Stock Exchange, and its subsidiary, Winners Merchants International L.P. (Canada).
- (11) MFIB is our Group's third party appointed distributor for the sales of our security seals in Spain, Andorra and Portugal, and has the naming rights to operate under the name "Mega Fortris" under their distribution agreement with us which is valid up until May 2033. MFIB has a payment term of 90 days from the date our Company issues invoice to MFIB. Please refer to Section 7.22 of this Prospectus for further details.
- (12) United States Postal Service is an independent establishment of the Executive Branch of the USA government.

Our business is not dependent on any single customer as there were no customers that contributed more than 10.00% of our total revenue for the FYE Under Review. In addition, we served a large pool of customers where we have approximately 3,200 customers for FYE 2024.

We serve customers involved in transportation and logistics, F&B manufacturing and agricultural products, retail, petrochemicals and manufacturing, leisure, hospitality and gaming, government and other industries, as well as resellers including distributors and traders.

7. BUSINESS OVERVIEW

7.18 MAJOR SUPPLIERS

Our Group's top five major suppliers and our purchases from them for the FYE 2021, FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2021

Supplier	Principal activities	Location ⁽¹⁾	RM'000	% of total purchases	Length of relationship ⁽²⁾ (years)	Main input materials
Shaoxing Mega Fortris ⁽³⁾	Manufacturing of security seals	China	11,944	20.44	20	Security seals and parts and components
Shaoxing Shuanglu ⁽⁴⁾	Trading of metal parts and components	China	7,708	13.19	9	Wires, parts and components
OEMSERV and its group of companies ("OEM SERV Group") ⁽⁵⁾	Manufacturing of load securement products	Hong Kong and Netherland	6,174	10.56	12	Load securement products
Vigorus Co Ltd ⁽⁶⁾	Manufacturing of combination lock products	Taiwan	3,578	6.12	3	Parts and components
CL Materials Trading Sdn Bhd ⁽⁷⁾	Trading of plastic raw material and resins	Malaysia	2,125	3.64	11	Plastic resins
Subtotal of top five suppliers			31,529	53.95		
Total Group's purchases			58,448			

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FYE 2022

Supplier	Principal activities	Location⁽¹⁾	RM'000	% of total purchases	Length of relationship⁽²⁾ (years)	Main input materials
Shaoxing Mega Fortris ⁽³⁾	Manufacturing of security seals	China	9,530	14.01	21	Security seals and parts and components
Shaoxing Shuanglu ⁽⁴⁾	Trading of metal parts and components	China	9,487	13.95	10	Wires, parts and components
OEM SERV Group ⁽⁵⁾	Manufacturing of load securement products	Hong Kong	6,495	9.55	13	Load securement products
Vigorus Co Ltd ⁽⁶⁾	Manufacturing of combination lock products	Taiwan	3,654	5.37	4	Parts and components
Toling Corporation (M) Sdn Bhd ⁽⁸⁾	Importing, exporting and dealing in plastic raw materials and chemical products	Malaysia	2,508	3.69	21	Plastic resins
Subtotal of top five suppliers			31,674	46.57		
Total Group's purchases			68,007			

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FYE 2023

Supplier	Principal activities	Location⁽¹⁾	RM'000	% of total purchases	Length of relationship⁽²⁾ (years)	Main input materials
Shaoxing Zhenfeng ⁽⁹⁾	Trading of metal parts and components	China	14,633	25.72	1	Wires, parts and components
OEM SERV Group ⁽⁵⁾	Manufacturing of load securement products	Hong Kong	7,667	13.45	14	Load securement products
Toling Corporation (M) Sdn Bhd ⁽⁸⁾	Importing, exporting and dealing in plastic raw materials and chemical products	Malaysia	2,162	3.79	22	Plastic resins
CL Materials Trading Sdn Bhd ⁽⁷⁾	Trading of plastic raw material and resins	Malaysia	1,808	3.17	13	Plastic resins
MPS Metal Plastik San. Cember Ve Paketleme Sist. Imaat Ve Tic.A.S. ⁽¹⁰⁾	Manufacturing of strapping materials products	Turkey	1,771	3.11	12	Load securement products
Subtotal of top five suppliers			28,071	49.24		
Total Group's purchases			57,006			

7. BUSINESS OVERVIEW

FYE 2024

Supplier	Principal activities	Location⁽¹⁾	RM'000	% of total purchases	Length of relationship⁽²⁾ (years)	Main input materials
Shaoxing Zhenfeng ⁽⁹⁾	Trading of metal parts and components	China	10,902	18.69	2	Wires, parts and components
OEM SERV Group ⁽⁵⁾	Manufacturing of load securement products	Hong Kong	7,952	13.64	15	Load securement products
EURO Potential Sdn Bhd ⁽¹¹⁾	Supply of welding, chemical and lighting products	Malaysia	3,272	5.61	8	Plastic resins
Seki International Sdn Bhd ⁽¹²⁾	Manufacturing of stickers and labels, printing and packaging	Malaysia	1,877	3.22	5	Security tapes and labels
Fujitech Holdings Pte Ltd ⁽¹³⁾	Manufacturing of plastic tableware, household and kitchen ware	Singapore	1,703	2.92	less than 1 year	Security seals
Subtotal of top five suppliers			25,706	44.08		
Total Group's purchases			58,316			

Notes:

- (1) Based on suppliers' addresses stipulated on invoices.
- (2) Length of relationship as at the respective financial years.

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- (3) Shao Xing Mega Fortris, a private company in China, housed our Group's previous security seal manufacturing facility in China before its cessation of manufacturing operations in April 2022. The company was subsequently deregistered in March 2023. For FYE 2021 and FYE 2022, our Group's purchases include the purchase of complete security seals from Shaoxing Mega Fortris that amounted to RM11.55 million and RM8.54 million respectively.
- (4) Shaoxing Shuanglu is a private company in China. We have stopped business dealings with Shaoxing Shuanglu since 2022.
- (5) For FYE 2021, FYE 2022, FYE 2023 and FYE 2024, OEMSERV Group include private company namely, OEMSERV Hong Kong Ltd. In addition, for FYE 2023, it also includes OEMSERV Europe B.V in the Netherlands and for FYE 2024, it also includes OEMSERV Cargo Securing System S.R.O in Czech Republic.
- (6) Vigorus Co Ltd is a private company in Taiwan.
- (7) CL Materials Trading Sdn Bhd is a private company in Malaysia.
- (8) Toling Corporation (M) Sdn Bhd is a private company in Malaysia.
- (9) Shaoxing Zhenfeng is a private company in China.
- (10) MPS Metal Plastik San. Cember Ve Paketleme Sist. Imalat Ve Tic.A.S is a private company in Turkey.
- (11) EURO Potential Sdn Bhd is a private company in Malaysia.
- (12) Seki International Sdn Bhd is a private company in Malaysia.
- (13) Fujitech Holdings Pte Ltd is a private company in Singapore.

The purchases from Shaoxing Shuanglu, a third party company, accounted for 13.19% and 13.95% of our total purchases of input materials and services for FYE 2021 and FYE 2022 respectively. We are not dependent on Shaoxing Shuanglu as we stopped business dealings with Shaoxing Shuanglu since 2022 following the cessation of their business operations.

For FYE 2023 and FYE 2024, Shaoxing Zhenfeng, one of our major suppliers, accounted for 25.72% and 18.69% of our total purchases of input materials and services respectively. We started to purchase metal parts and components from Shaoxing Zhenfeng in May 2022, after we stopped business dealings with Shaoxing Shuanglu, a former major supplier. Shaoxing Zhenfeng and Shaoxing Shuanglu are not related to each other.

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The metal parts and components we purchased from Shaoxing Zhenfeng are used in the manufacture of our security seals and include semi-finished metal assembled components, metal pins, bolts and bush, metal jaws, metal plates, metal wire ropes and padlock springs. We are not dependent on them as we were able to source similar products from other suppliers. For the FYE Under Review, we sourced similar input materials from seven other suppliers.

In addition, OEM SERV Group is one of our major suppliers for the FYE Under Review and the company is a manufacturer of load securement products. Our purchases from OEM SERV Group accounted for 10.56%, 9.55%, 13.45% and 13.64% of our total purchases for FYE 2021, FYE 2022, FYE 2023 and FYE 2024 respectively and the purchase of load securement products were for our trading operation. While our purchases from OEM SERV Group increased from 10.56% in FYE 2021 to 13.64% in FYE 2024, we are not dependent on them as we were able to source similar products from other suppliers. For the FYE Under Review, we were able to source similar products from five other suppliers. Please refer to Section 10.1.1 of this Prospectus for further details on the related party transactions with OEM SERV Group.

We are also not dependent on the other major suppliers as each of them accounted for less than 10.00% of our total purchases for the respective FYE Under Review.