

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ECKEM HOLDINGS BERHAD ("ECKEM HOLDINGS" OR THE "COMPANY") DATED 25 MAY 2026 ("PROSPECTUS")

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in the Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and viceversa.

1. OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 25 MAY 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 19 JUNE 2026

In the event of any changes to the date or time for closing, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

2. METHODS OF APPLICATIONS

2.1 Retail Offering

Application must accord with the Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by our eligible Directors and employees of our Group	• Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	• White Application Form; or • Electronic Share Application; or • Internet Share Application
(ii) Non-Individuals	• White Application Form only

2.2 Placement

<u>Types of Application</u>	<u>Application method</u>
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

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Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

3. ELIGIBILITY

3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs in Section 12 of the "Detailed Procedures for Application and Acceptance" accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WISHING TO APPLY FOR IPO SHARES USING A JOINT BANK ACCOUNT SHOULD ENSURE THAT THEIR APPLICATION DETAILS MATCH THOSE OF THE CDS ACCOUNT INDICATED IN THE APPLICATION. ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED BY YOUR FINANCIAL INSTITUTION AND THE CDS ACCOUNT RECORD WILL RESULT IN APPLICATION REJECTION. TO AVOID ANY REJECTION, PLEASE CONTACT YOUR FINANCIAL INSTITUTION TO VERIFY THE DETAILS. PLEASE NOTE THAT THE COMPANY, PRINCIPAL ADVISER, AND ISSUING HOUSE WILL NOT BE LIABLE FOR ANY ISSUES ARISING THEREAFTER.

3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

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- (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of our Issuing House; and
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form;
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

4. PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The Malaysian Public must follow the following procedures in making their applications through the White Application Form.

- (a) Obtain the relevant Application Form together with the Official "A" and "B" envelopes and the Prospectus.

The **White Application Forms** together with the Prospectus, can be obtained subject to availability from M & A Securities Sdn Bhd, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association and our Issuing House and our Company.

- (b) In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by the Prospectus. You are advised to read and understand the Prospectus before making your Application.
- (c) Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in the Prospectus, including:
 - (i) Ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.

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- (ii) Stating your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.
 - (iii) Stating the details of your payment in the appropriate boxes provided in the Application Form.
 - (iv) Stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.
- (d) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM0.12 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 824"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the White Application Forms.

- (e) Insert the White Application Form together with payment and a legible photocopy of your identification document (NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

- (f) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:
- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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- (ii) **DELIVERED BY HAND AND DEPOSIT** in the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, so as to arrive not later than **5.00 p.m. on 19 June 2026** or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to our Issuing House.

5. PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

5.1 Participating Financial Institutions

Only **Malaysian individuals** may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

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5.2 Procedures for Electronic Share Application

The exact procedures, terms and conditions for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

PLEASE READ THE TERMS OF THE PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:

- Personal Identification Number ("**PIN**");
- **TIH Share Issue Account No. 824**;
- Your CDS account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 5.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or our Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

5.3 Terms and Conditions for Electronic Share Application

You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:

- (a) The Electronic Share Application shall be made in relation to and subject to the terms of the Prospectus and our Company's Constitution.

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- (b) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
- (i) You are at least 18 years old as at the date of the application for our IPO Shares;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have read the Prospectus and understood and agreed with the terms and conditions of the Application;
 - (iv) The Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and
 - (v) You consent to the disclosure by the Participating Financial Institutions and Bursa Depository of information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to our Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to our Issuing House or any relevant authorities.

- (c) You confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.
- (d) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (e) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated keys or buttons on the ATM keyboard) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and your acceptance to be bound by our Constitution.

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- (f) Our Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of Applicants with a view to establishing a liquid and adequate market for our Shares.
- (g) You request and authorise us:
 - (i) to credit our IPO Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (h) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of our Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if:
 - (i) our Company or our Issuing House does not receive your Electronic Share Application; or
 - (ii) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or our Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, our Issuing House or the Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage.
- (i) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, our Issuing House and the relevant Participating Financial Institution shall be entitled to rely on their accuracy.
- (j) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (k) By making and completing an Electronic Share Application, you agree that:
 - (i) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) we, the Participating Financial Institutions, Bursa Depository and our Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a

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- breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;
- (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;
 - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and
 - (v) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and / or the Electronic Share Application and / or any terms of the Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (l) Our Issuing House, acting on the authority of our Board reserves the right to reject Applications which do not conform to these instructions.

6. APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

6.1 Internet Participating Financial Institutions or Participating Securities Firms

Only **Malaysian individuals** may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

Internet Participating Financial Institution or Participating Securities Firm	Website address	Fees charged
Affin Bank Berhad	https://rib.affinalways.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00

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Internet Participating Financial Institution or Participating Securities Firm	Website address	Fees charged
CGS International Securities Malaysia Sdn Bhd	www.eipo.cgsi.com.my	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
Hong Leong Investment Bank Berhad	https://www.hlebroking.com/v3/	RM1.00
iFast Capital Sdn Bhd	https://www.fsmone.com.my/	Free
Kenanga Investment Bank Berhad	https://kentrade.com.my/	Free
Malacca Securities Sdn Bhd	https://eipo.mplonline.com	Free
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
Moomoo Securities Malaysia Sdn Bhd	https://www.moomoo.com/my/invest/ipo	Free
Public Bank Berhad	www.pbebank.com	RM2.00
RHB Bank Berhad	www.rhbgroup.com/index.html	RM2.50
TA Securities Holdings Berhad	https://eservices.tasecurities.com.my/auth/login	Free
UOB Kay Hian (M) Sdn Bhd (formerly known UOB Kay Hian Securities (M) Sdn Bhd)	https://eipo.utrade.com.my	Free

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions or Participating Securities Firms. Please contact the relevant Internet Participating Financial Institutions or Participating Securities Firms for further enquiries.

PLEASE READ THE TERMS OF THE PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions or Participating Securities Firms.

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6.2 Terms and Conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS OR PARTICIPATING SECURITIES FIRMS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

- (a) You can make an Internet Share Application if you fulfill all of the following:
 - (i) You are an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;
 - (ii) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution or Participating Securities Firm. You must have your user identification ("User ID") and PIN/password for the relevant Internet financial services facilities; and
 - (iii) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions or Participating Securities Firms cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions or Participating Securities Firms.

- (b) An Internet Share Application shall be made on and subject to the terms of the Prospectus and our Company's Constitution.
- (c) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution or Participating Securities Firm) and to undertake that the following information given are true and correct:
 - (i) You are at least 18 years old as at the date of the application for our IPO Shares;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have fully read and understood;
 - (iv) You agree to all the terms and conditions of the Internet Share Application as set out in the Prospectus and have carefully considered the risk factors as well as all other information and statements set out in the Prospectus, before making your Internet Share Application;
 - (v) Your Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;

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- (vi) You authorise the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution;
 - (vii) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the Internet Participating Financial Institution or Participating Securities Firm, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution or Participating Securities Firm, to our Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (viii) You are not applying for our IPO Shares as a nominee of any other person and your Internet Share Application is made in your own name, as beneficial owner and subject to the risks referred to in the Prospectus;
 - (ix) You authorise the Internet Participating Financial Institution or Participating Securities Firm to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution or Participating Securities Firm, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution or Participating Securities Firm will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution or Participating Securities Firm in connection with the use of the Internet Share Application services.
- (d) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of the Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 6.2(iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution or Participating Securities Firm and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or our Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

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- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or Participating Securities Firm or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in the Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- (i) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - (ii) Your agreement to be bound by the Constitution of our Company.
- (g) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.** Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
 - (h) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.
 - (i) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institution or Participating Securities Firm, the Authorised Financial Institution, our Issuing House and our Company and irrevocably agree that if:

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- (i) our Company, our Issuing House, the Internet Participating Financial Institution or Participating Securities Firm and/ or the Authorised Financial Institution do not receive your Internet Share Application and/ or payment; and
- (ii) any data relating to your Internet Share Application or the tape or any other devices containing such data and/ or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, our Issuing House, the Internet Participating Financial Institution or Participating Securities Firm and/ or the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

- (j) All of your particulars in the records of the relevant Internet Participating Financial Institution or Participating Securities Firm at the time of your Internet Share Application shall be deemed to be true and correct, and we, our Issuing House, the Internet Participating Financial Institutions or Participating Securities Firms and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution or Participating Securities Firm are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution or Participating Securities Firm and Bursa Depository of any changes in your personal particulars that may occur from time to time.

7. AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. Our Issuing House, on the authority of our Board, reserves the right to:

- (a) reject Applications which:
 - (i) do not conform to the instructions of the Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (ii) are illegible, incomplete or inaccurate; or
 - (iii) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) bank in all Application monies (including those from unsuccessful/partially successful Applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

8. OVER/ UNDER-SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website at <https://srmy.vistra.com> within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our IPO Shares, subject to the clawback and reallocation as set out in Section 4.3.4 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

9. UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

9.1 For Applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful Applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful Applications) within 10 Market Days

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

from the date of the final ballot at your own risk.

- (b) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (a) and (b) above (as the case may be).
- (d) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful Applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary /registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) or Participating Securities Firms within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

10. SUCCESSFUL APPLICANTS

If you are successful in your Application:-

- (a) Our IPO Shares allotted to you will be credited into your CDS account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited in the CDS subject to the provision of the SICDA and the Rules of Bursa Depository. As such, our IPO Shares offered through the Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

11. ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. (03)-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firm or Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at our Issuing House website at <https://srmy.vistra.com>, **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 below.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**12. LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and telephone number	Broker code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A, Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No.: 03-9130 8803	068-018
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25th Floor Bagunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2031 0102	086-001
BIMB SECURITIES SDN BHD	Level 34, Menara Bank Islam No 22, Jalan Perak 50450 Kuala Lumpur Tel No.: 03-2613 1700	024-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	3rd Floor, Lot 1511 & 1512 Jalan Mutiara Timur Satu Taman Mutiara Cheras 56100 Kuala Lumpur Tel No.: 03-9132 7424/7428/7429	065-001
CIMB SECURITIES SDN BHD (formerly known as Kaf Equities Sdn Bhd)	14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel. No.: 03-2171 0216	053-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 03-2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor Level 3A, Block B, HP Towers No.12 Jalan Gelenggang 60000 Kuala Lumpur Tel No.: 03-2080 8777	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No.: 03-2083 1800	066-008
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
IFAST CAPITAL SDN BHD	Level 28, Menara AIA Sentral No. 30, Jalan Sultan Ismail Kuala Lumpur Tel No.: 03-2149 0660	039-001
KENANGA INVESTMENT BANK BERHAD	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2172 2888	073-001
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No.: 03-7983 9890	057-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 The Boulevard, Bandar Mid Valley Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
MALACCA SECURITIES SDN BHD	No. 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak, Kuala Lumpur Tel No.: 03-4144 2565	012-001
MALACCA SECURITIES SDN BHD	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No.: 03-2733 9782	012-001
MALACCA SECURITIES SDN BHD	B01-A-13A Level 13A, Menara 2 No. 3 Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No.: 03-2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	27, 31 to 33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No.: 03-2059 1888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2, Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MOOMOO SECURITIES MALAYSIA SDN BHD	Level 9, Menara Khuan Choo 75A Jalan Raja Chulan Bukit Bintang 50200 Kuala Lumpur Tel No.: 03-9212 0718	062-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
PHILLIP CAPITAL SDN BHD	B-3-6, Block B Level 3 Megan Avenue II No.12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel No.:03-2783 0361	076-001
NEWPARADIGM SECURITIES SDN BHD	Level 12, EXSIM Tower (Block D) Millerz Square @ Old Klang Road Megan Legasi No. 357, Jalan Klang Lama 58000 Kuala Lumpur Tel No.: 03-2054 8000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2268 3000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9280 2233	087-001
RHB INVESTMENT BANK BERHAD	No. 62, 62-1 & 64, 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BERHAD	34th Floor, Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Suite 12-05, Level 12 Wisma UOA Damansara II No.6 Jalan Changkat Semantan Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2147 1861	078-001
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	N3, Plaza Damas No. 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Ground & 19th Floor Menara Keck Seng No. 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010

SELANGOR DARUL EHSAN

AFFIN HWANG INVESTMENT BANK BERHAD	Suite B3A1, East Wing 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	4th Floor, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3322 1999	068-019
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
APEX SECURITIES BHD	Level 5, Menara UAC No.12, Jalan PJU7/5 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7890 8877	079-001
APEX SECURITIES BHD	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7934/7892	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3325 7105/7106	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No.26A(F), 26A(M) & 26A(B), Jalan SJ6 Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-6137 1680	065-001
KENANGA INVESTMENT BANK BERHAD	Level 1, East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT BANK		Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiar Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-001
KENANGA BERHAD	INVESTMENT BANK		No. 35, (Ground, 1st & 2nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-001
MALACCA SECURITIES SDN BHD			No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-001
MALACCA SECURITIES SDN BHD			No. 54M, Mezzanine Floor Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7876 1533	012-001
MBSB INVESTMENT BANK BERHAD (Formerly known as MIDF Amanah Investment Bank Berhad)			Level 21, Menara MBSB Bank PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-2173 8888	026-001
NEWPARADIGM SECURITIES SDN BHD			1st Floor, 157-A Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8074 7094	064-003
NEWPARADIGM SECURITIES SDN BHD			No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	1,3 & 5, Tingkat 2 Jalan 52/18 New Town Centre 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366/7875 8428	087-011
RHB INVESTMENT BANK BERHAD	1st Floor 10 & 11, Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8022 1888	087-059
SJ SECURITIES SDN BHD	26, Jalan Pendaftar U1/54 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan Tel No.: 03-5567 3000	096-001
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007

PERAK DARUL RIDZUAN

AFFIN HWANG INVESTMENT BANK BERHAD	Tingkat Bawah, 1, 2 & 3 21, Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
M & A SECURITIES SDN BHD	5th, 6th & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MALACCA SECURITIES SDN BHD	1st Floor No. 3, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2541 533	012-013
MAYBANK INVESTMENT BANK BERHAD	No. 47, Hala Pusat Perdagangan Canning I Pusat Perdagangan Canning II 30350, Ipoh, Perak Tel No.: 05-2453 457	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Unit E-2-2A, E-3-2A, E-4-2A & E-5-2A, SOHO Ipoh 2 Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel. No.: 05-2415 100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034
RHB INVESTMENT BANK BERHAD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng, No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	153A, Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-002
<u>PENANG</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	1st, 2nd & 3rd Floor No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5372 882	068-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
AMINVESTMENT BANK BERHAD	Level 3, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-6412 881	065-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	Canton Square Level 2 & 3 No. 56 Cantonment Road 10250 Penang Tel No.: 04-2268 288	054-002
KENANGA INVESTMENT BANK BERHAD	7th, 8th & 16th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
MALACCA SECURITIES SDN BHD	28, Lorong Tangling Indah 3 Taman Tangling Indah 14100 Simpang Ampat Penang Tel No.: 04-5060 967	012-001
MALACCA SECURITIES SDN BHD	No.11A-1, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
MAYBANK INVESTMENT BANK BERHAD	Ground Floor Bangunan KWSP No. 38, Lot PT 8, Seksyen 14 Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04-2196 888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1st & 2nd floor No. 1, Jalan Todak 5 Pusat Bandar Seberang Jaya 13700 Prai, Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Penang Tel No.: 04-2639 118	093-004
NEWPARADIGM SECURITIES SDN BHD	56B, 1st Floor Jalan Perak, Perak Plaza 10150 Penang Tel No.: 04-2273 000	064-004
PHILIP CAPITAL SDN BHD	29A, Ground Floor Beach Street 10300 Penang Tel No.: 04-2616 363	076-015
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BERHAD	Ground Floor – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuhr Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Penang Tel No.: 04-2272 339	058-010
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	21 Jalan Bayu Mutiara 2 Taman Bayu Mutiara 14000 Bukit Mertajam Pulau Pinang Tel No.: 04-5047 313/316	078-003
<u>KEDAH DARUL AMAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, No.102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel No.: 04-7774 400/4401	065-001
MALACCA SECURITIES SDN BHD	No. 9, Tingkat Satu Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7350 888	012-001
PHILIP CAPITAL SDN BHD	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088/8270	076-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor 214-A & 214-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Lot 4, 4, & 5A, 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007

NEGERI SEMBILAN DARUL KHUSUS

AFFIN HWANG INVESTMENT BANK BERHAD	No. 29G, Jalan S2 B16 Pusat Dagangan Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-6037 408	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-019
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No.21 Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 155	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6515 385	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 38, 1st Floor Jalan S2 B18 Biz Avenue Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7614 651	065-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT BANK		1C & 1D, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-001
MAYBANK BERHAD	INVESTMENT BANK		Ground Floor, Wisma HM No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
NEWPARADIGM BHD	SECURITIES SDN		Ground, 1st, 2nd & 3rd Floor 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
NEWPARADIGM BHD	SECURITIES SDN		Ground & 1st Floor No. 3, Jalan Dato Abdullah 71200 Kuala Klawang Negeri Sembilan Darul Khusus Tel No.: 06-6137 767	064-002
RHB INVESTMENT BANK BERHAD			Ground, 1st & 2nd Floor No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
<u>MELAKA</u>				
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD			Ground, 1st & 2nd Floor No. 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 897	065-001
KENANGA BERHAD	INVESTMENT BANK		71 & 73 (Ground, A&B) Jalan Merdeka, Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-001
MALACCA SECURITIES SDN BHD			No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O Box 248 75250 Melaka Tel No.: 06-3371 533	012-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
NEWPARADIGM SECURITIES SDN BHD	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BERHAD	579, 580 & 581 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BERHAD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-003
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014

JOHOR DARUL TAKZIM

AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, No 11 & 12 BP Avenue Jalan Abdul Rahman Bandar Penggaram 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4311 081	068-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 73 Ground Floor No. 73A & 79A, First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No.: 07-9764 559/4560	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2329 673	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9311 509	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3537 669	065-001
BERJAYA SECURITIES SDN BHD (formerly known as Inter-Pacific Securities Sdn Bhd)	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
MALACCA SECURITIES SDN BHD	No. 40A, Jalan Perang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3351 533	012-001
MALACCA SECURITIES SDN BHD	1735-B, Jalan Sri Putri 4 Taman Putri Kulai, 81000 Kulaijaya, Johor Darul Takzim Tel No.: 07-6638 877	012-001
MALACCA SECURITIES SDN BHD	Lot 880, Batu 3 ½ Jalan Salleh 84000 Muar Johor Darul Takzim Tel No.: 06-9536 948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
NEWPARADIGM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333 608	064-001
PHILIP CAPITAL SDN BHD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st and 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 40, Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
TA	SECURITIES	HOLDINGS	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
TA	SECURITIES	HOLDINGS	15, Jalan Molek 1/5A Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3647 388	058-011
TA	SECURITIES	HOLDINGS	No. 29-03, Jalan Sri Pelangi Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3364 672	058-013
UOB	KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)		Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000	078-001
UOB	KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)		No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6635 651	078-001
<u>KELANTAN DARUL NAIM</u>				
CGS	INTERNATIONAL SECURITIES MALAYSIA SDN BHD		Level 4, Wisma TCH (formerly known as Wisma Square Point) Jalan Pengkalen Chepa 15400 Kota Baru Kelantan Darul Naim Tel No.: 09-7419 050/9051/9052/9053	065-001
RHB	INVESTMENT BANK BERHAD		Ground & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388/2288	058-004
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Ground Floor & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-004
<u>PAHANG DARUL MAKMUR</u>		
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Ground 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-001
MALACCA SECURITIES SDN BHD	P11-3 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2220 993	012-001
PHILIP CAPITAL SDN BHD	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
RHB INVESTMENT BANK BERHAD	No. 12, Ground Floor 1st and 2nd Floor Jalan Putra Square 1 Putra Square 25300 Pahang Darul Makmur Tel No.: 09-5173 811	087-007

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
<u>TERENGGANU DARUL IMAN</u>		
PHILIP CAPITAL SDN BHD	No. 46, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
RHB INVESTMENT BANK BERHAD	1st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	No. 37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016
<u>SABAH</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 3 Block A Level 2, Luyang Commercial Centre Damai Plaza PH3 Jalan Damai, 88300 Kota Kinabalu Sabah Tel No.: 088-311 688	068-005
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st – 3rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel No.: 089-215 578	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 099	078-004
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Lot No. 27, NBX 2 The Northbank Off Kucing-Samarahan Expressway 93350 Kuching, Sarawak Tel No.: 082-501 007	068-005
AMINVESTMENT BANK BERHAD	1st, 2nd, & 3rd Floor No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700	065-001
CGS INTERNATIONAL SECURITIES MALAYSIA SDN BHD	Level 1 (North), Wisma STA No. 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No.: 085-435 577	073-001

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name			Address and telephone number	Broker code
KENANGA BERHAD	INVESTMENT BANK		Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No.: 082-338 000	073-001
KENANGA BERHAD	INVESTMENT BANK		No. 11-12, (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No.: 084-313 855	073-001
MERCURY SECURITIES SDN BHD			1st Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-001
RHB INVESTMENT BANK BERHAD			Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD			102, Pusat Pedada Jalan Pedada 96000 Sibul Sarawak Tel No.: 084-329 100	087-008
RHB INVESTMENT BANK BERHAD			Ground & 1st Floor No. 221, Park City Commerce Square Phase III Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA BERHAD	SECURITIES HOLDINGS		12G, H & I Jalan Kampong Datu 96000 Sibul Sarawak Tel No.: 084-319 998	058-002

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	Broker code
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-324 128	078-017
UOB KAY HIAN (M) SDN BHD (formerly known as UOB Kay Hian Securities (M) Sdn Bhd)	Ground Floor & First Floor No. 16, Lorong Intan 6 96000 Sibu Sarawak Tel No.: 084-252 737	078-018

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NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ECKEM HOLDINGS BERHAD (“ECKEM HOLDINGS” OR THE “COMPANY”) DATED 25 MAY 2026 (“ELECTRONIC PROSPECTUS”)

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("Bursa Securities") website at www.bursamalaysia.com ("Website").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M & A Securities Sdn Bhd ("M & A Securities"), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M & A Securities and Eckem Holdings take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 25 May 2026 and will close at 5.00 p.m. on 19 June 2026.

In the event the Closing Date is extended, Eckem Holdings will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date, and make an announcement on Bursa Securities' 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 in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

ECKEM HOLDINGS BERHAD

(Registration No. 202401003252 (1549102-W))
(Incorporated in Malaysia)



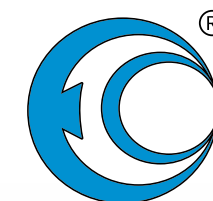
No. 3, Jalan Anggerik Mokara 31/60,
Seksyen 31, Kota Kemuning, 40460
Shah Alam, Selangor, Malaysia.

Tel : +603-5122 1335
Email : general@eckem.com
www.eckem.com

ECKEM HOLDINGS BERHAD
(Registration No. 202401003252 (1549102-W))
(Incorporated in Malaysia)

PROSPECTUS

PROSPECTUS



ECKEM HOLDINGS BERHAD
(Registration No. 202401003252 (1549102-W))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

- (I) PUBLIC ISSUE OF 125,000,000 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) IN THE FOLLOWING MANNER:
 - 31,250,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 31,250,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE PERSONS;
 - 15,625,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY;
 - 46,875,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- (II) OFFER FOR SALE OF 62,500,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY.

AT AN ISSUE/OFFER PRICE OF RM0.12 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD
(Registration No.: 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bursa Securities has approved our admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities and registration of this Prospectus should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU 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 197.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS NOT A PROPOSAL REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS IS DATED 25 MAY 2026

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

M & A Securities Sdn Bhd, being our Principal Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), 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.

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

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

Securities listed on Bursa Securities are offered to the public premised on 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.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 6 February 2026. 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.

The SC (as defined herein) has, on 24 February 2026, approved our application under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

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

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form 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 therewith.

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

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be

subjected to. Neither us nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the 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 (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Principal Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the Bursa Securities shall prevail.

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

- (a) We and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) We and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs 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 of any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

- (a) The Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet

Participating Financial Institutions or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and

- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions or Participating Securities Firms shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative time and/or date
Issuance of this Prospectus/Opening of Application	10.00 a.m., 25 May 2026
Closing Date/Closing of Application	5.00 p.m., 19 June 2026
Balloting of Application	24 June 2026
Allotment/Transfer of our IPO Shares to successful applicants	1 July 2026
Date of Listing on the ACE Market of Bursa Securities	3 July 2026

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "Eckem Holdings" and "Company" in this Prospectus are to Eckem Holdings Berhad (Registration No.: 202401003252 (1549102-W)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or two decimal places (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

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

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

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 objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management'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 "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

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

- (a) demand for our products and services;
- (b) our business strategies;
- (c) our future plans;
- (d) our future earnings, cash flows and liquidity; and
- (e) our ability to pay future dividends.

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

- (a) the economic, political and investment environment in the countries which we operate in; and
- (b) Government policy, legislation or regulation of the countries which we operate in.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 8 – "Risk Factors" and Section 11 – "Financial Information" of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material 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 shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines of the SC.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

Eckem	:	Eckem Sdn Bhd (Registration No. 200701011072 (769075-D))
Eckem Holdings or Company	:	Eckem Holdings Berhad (Registration No. 202401003252 (1549102-W))
Eckem Holdings Group or Group	:	Eckem Holdings and its subsidiaries, collectively
Eckem JB	:	Eckem (JB) Sdn Bhd (Registration No. 200701031558 (789585-A))
Eckem Singapore	:	Eckem Pte Ltd (Registration No. 201533020K)
Enrich Chemicals	:	Enrich Chemicals Sdn Bhd (Registration No. 202201040980 (1486677-X))
Entire Concept	:	Entire Concept Sdn Bhd (Registration No. 200101011306 (547062-T))
Novatex Product	:	Novatex Product Sdn Bhd (Registration No. 202201011147 (1456844-V))

MAJOR CUSTOMERS AND SUPPLIERS OF OUR GROUP:

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

Customer Group A	:	Customer Group A comprises Customer A1 (a company incorporated in Malaysia which is involved in providing advisory services and manufacturing of chemicals and chemical compounds with business operations in Malaysia), Customer A2 (a company incorporated in Malaysia which is involved in manufacturing and trading of gloves with business operations principally in Malaysia), Customer A3 (a company incorporated in Malaysia which is involved in manufacturing and trading of gloves, rubber products and cast polyethylene products with business operations in Malaysia), Customer A4 (a company incorporated in Malaysia which is involved in manufacturing and trading of chemical products with business operations in Malaysia), Customer A5 (a company incorporated in Malaysia which is involved in research and development on gloves and rubber goods and provision of analytical services with business operations in Malaysia), Customer A6 (a company incorporated in Malaysia which is involved in manufacturing and trading of gloves and rubber products and general trading with business operations in Malaysia) and Customer A7 (a company incorporated in Malaysia)

DEFINITIONS (Cont'd)

which is involved in manufacturing and distribution of medical gloves and synthetic latex with business operations in Malaysia).

The holding company of Customer Group A is a public company listed on the Main Market of Bursa Securities and the Main Board of Singapore Exchange Limited. The holding company of Customer Group A is principally engaged in the production of rubber gloves.

We are unable to disclose the identity of Customer Group A as Customer Group A has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

Customer B

: A private limited company incorporated in Malaysia which is involved in manufacturing and sale of rubber, polyurethane, polyvinyl chloride and liner industrial gloves with business operations in Malaysia. The holding company of Customer B is principally engaged in the management of funds, trusts and foundations organised for purposes other than religious, educational, charitable or non-profit research.

The ultimate holding company of Customer B is a private company and involved in the manufacturing and sales of household glove, working glove, industrial glove, clean-room glove and environment-conscious glove.

Customer B and its holding company as well as its ultimate holdings company is not listed on any stock exchange.

We are unable to disclose the identity of Customer B as Customer B has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

Customer C

: A private limited company incorporated in Malaysia which is involved in manufacturing and sales of paints for the decorative and coatings for the marine, heavy duty and powder markets with business operations in Malaysia. The holding company of Customer C is principally engaged in the development, production, marketing and sale of paints and coatings systems and related products and services for the treatment, protection and beautification of assets.

Customer C and its holding company is not listed on any stock exchange.

We are unable to disclose the identity of Customer C as Customer C has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

DEFINITIONS (Cont'd)

Customer D : A private limited company incorporated in Malaysia which is involved in trading in paint, varnish, thinner, polishes and other related products with business operations in Malaysia.

Customer D is not listed on any stock exchange.

We are unable to disclose the identity of Customer D as Customer D has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

Customer E : A private limited company incorporated in Malaysia which is involved in manufacturing, supplying and dealing in glass fibre, glass tubing and other related electronic glass materials and products with business operations in Malaysia. The holding company of Customer E is principally engaged in the manufacturing of specialty glass and related products.

The holding company of Customer E is a public company listed on the Prime Market of Tokyo Stock Exchange.

We are unable to disclose the identity of Customer E as Customer E has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

Customer Group F : Customer Group F comprises Customer F1 (a company incorporated in Malaysia which is involved in manufacturing and sales of adhesive products with business operations in Malaysia) and Customer F2 (a company incorporated in Malaysia which is involved in manufacturing and trading of coating resins and additives with business operations principally in Malaysia).

The holding company of Customer Group F is a public company listed on the Paris stock exchange (Euronext). The holding company of Customer Group F is involved in offering the specialty chemicals and advanced materials.

We are unable to disclose the identity of Customer Group F as Customer Group F has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

Customer G : A private limited company incorporated in Malaysia which is involved in dealing of paints, thinners and related products with business operations in Malaysia.

Customer G is not listed on any stock exchange.

We are unable to disclose the identity of Customer G as Customer G has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

DEFINITIONS (Cont'd)

Supplier A : A private limited company incorporated in Taiwan and is involved in the production of chemicals with business operations in Taiwan.

Supplier A is not listed on any stock exchange.

We are unable to disclose the identity of Supplier A as Supplier A has rejected to provide consent in response to our request for disclosure of their name in this Prospectus.

GENERAL:

ACE Market : ACE Market of Bursa Securities

Acquisition of Eckem : Acquisition by Eckem Holdings of the entire equity interest of Eckem from Tan Kwang Wah, Tan Khai Wen and Sam Lai Yoong for a purchase consideration of RM25,572,420 which was wholly satisfied by the issuance of 373,319,999 new Shares at an issue price of RM0.0685 per share, which was completed on 31 March 2026

Acquisition of Eckem JB : Acquisition by Eckem Holdings of the entire equity interest of Eckem JB from Tan Kwang Wah, Tan Khai Jeik and Sam Lai Yoong for a purchase consideration of RM510,325 which was wholly satisfied by the issuance of 7,450,000 new Shares at an issue price of RM0.0685 per share, which was completed on 31 March 2026

Acquisition of Eckem Singapore : Acquisition by Eckem Holdings of the entire equity interest of Eckem Singapore from Tan Kwang Wah and Sam Lai Yoong for a purchase consideration of SGD2 which was wholly satisfied by cash, which was completed on 20 March 2026

Acquisition of Enrich Chemicals : Acquisition by Eckem Holdings of the entire equity interest of Enrich Chemicals from Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn for a purchase consideration of RM768,570 which was wholly satisfied by the issuance of 11,220,000 new Shares at an issue price of RM0.0685 per share, which was completed on 31 March 2026

Acquisition of Entire Concept : Acquisition by Eckem Holdings of the entire equity interest of Entire Concept from Tan Kwang Wah and Tan Khai Jeik for a purchase consideration of RM6,306,110 which was wholly satisfied by the issuance of 92,060,000 new Shares at an issue price of RM0.0685 per share, which was completed on 31 March 2026

Acquisition of Novatex Product : Acquisition by Eckem Holdings of the entire equity interest of Novatex Product from Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar for a purchase consideration of RM1,092,575 which was wholly satisfied by the issuance of 15,950,000 new Shares at an issue price of RM0.0685 per share, which was completed on 31 March 2026

DEFINITIONS (*Cont'd*)

Acquisitions	: Collectively, the Acquisition of Eckem, the Acquisition of Eckem JB, the Acquisition of Eckem Singapore, the Acquisition of Enrich Chemicals, the Acquisition of Entire Concept and the Acquisition of Novatex Product
Act	: Companies Act, 2016 as amended from time to time and any re-enactment thereof
ADA	: Authorised Depository Agent
Application	: Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	: Printed application form for the application of our IPO Shares accompanying this Prospectus
ATM	: Automated teller machine
Avea Ingredients	: Avea Ingredients Sdn Bhd (Registration No. 201301026514 (1056344-K))
BLR	: Base Lending Rate
BNM	: Bank Negara Malaysia
Board	: Board of Directors of Eckem Holdings
Bursa Depository or Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	: Compound annual growth rate
CCC	: Certificate of Completion and Compliance
CDS	: Central Depository System
CDS Account	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
CF	: Certificate of Fitness for Occupation
China or PRC	: People's Republic of China
Closing Date	: Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
CMCO	: Conditional MCO

DEFINITIONS (Cont'd)

CMSA	: Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
Constitution	: Our constitution as amended from time to time
COVID-19	: Coronavirus disease 2019, an infectious disease which was a global pandemic
Depository Rules	: Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
Director(s)	: An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
DOE	: Department of Environment
DOSH	: Department of Occupational Safety and Health
EBIT	: Earnings before interest and tax
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EIS	: Employment insurance scheme
Electronic Prospectus	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
Electronic Share Application	: Application for IPO Shares through a Participating Financial Institution's ATM(s)
Eligible Persons	: Collectively, the eligible Director(s) and employee(s) of Eckem Holdings Group who are eligible to participate in the Pink Form Allocations
EMCO	: Enhanced MCO
EPF	: Employees' Provident Fund
EPS	: Earnings per share
ESG	: Environment, social and governance
Financial Periods Under Review	: FYE 2022, FYE 2023, FYE 2024 and FYE 2025, collectively
FMCO	: Full MCO
FRDM	: Fire and Rescue Department of Malaysia
FYE	: Financial year(s) ended/ending 31 December, as the case may be

DEFINITIONS (*Cont'd*)

Government	: Government of Malaysia
GL	: Gross loss
GP	: Gross profit
IFRS	: International Financial Reporting Standards
IMR or Providence	: Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
IMR Report	: Independent Market Research Report titled "Outlook of the Specialty Industrial Chemicals and Rubber Products Industries in Malaysia" dated 6 May 2026
Initial Public Offering or IPO	: Our initial public offering comprising the Public Issue and the Offer for Sale
Internet Participating Financial Institution(s) or Participating Securities Firm(s)	: Participating financial institution(s) or Participating Securities Firm(s) for Internet Share Application as listed in Section 15.6 of this Prospectus
Internet Share Application	: Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s) or Participating Securities Firm(s)
IPO Price	: Issue/offer price of RM0.12 per Share pursuant to the Public Issue and the Offer for Sale
IPO Share(s)	: Issue Share(s) and Offer Share(s), collectively
ISO	: International Organisation for Standardisation
Issue Share(s)	: New Share(s) to be issued under the Public Issue
Issuing House and Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Listing	: Listing of and quotation for our entire enlarged issued share capital of RM47,983,601 comprising 625,000,000 Shares on the ACE Market of Bursa Securities
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Listing Scheme	: Comprising the Public Issue, the Offer for Sale and the Listing, collectively

DEFINITIONS (Cont'd)

Lot 86498	: A parcel of land bearing title details GRN 454596, Lot 86498, Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor, Malaysia (formerly, HS(D) 52561, PT 56396, Mukim Tanjong Duabelas, Daerah Kuala Langat, Selangor, Malaysia)
Lot 93505	: A parcel of land bearing title details GRN 342323, Lot 93505, Mukim Rawang, Daerah Gombak, Selangor, Malaysia (formerly, HS(D) 89999, PT 49863, Mukim Rawang, Daerah Gombak, Selangor, Malaysia)
Lot 93506	: A parcel of land bearing title details GRN 342324, Lot 93506, Mukim Rawang, Daerah Gombak, Selangor, Malaysia (formerly, HS(D) 90000, PT 49864, Mukim Rawang, Daerah Gombak, Selangor, Malaysia)
Lot 168658	: A parcel of land bearing title details HS(D) 168658, PT 86365, Mukim Kapar, Daerah Klang, Selangor, Malaysia
Lot 168659	: A parcel of land bearing title details HS(D) 168659, PT 86366, Mukim Kapar, Daerah Klang, Selangor, Malaysia
LPD	: 27 April 2026, being the latest practicable date for ascertaining certain information contained in this Prospectus
M & A Securities	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
Malaysian Public	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia but excluding Directors of our Group, our substantial shareholders and persons connected with them
Market Day(s)	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities which may include a surprise holiday
MATRADE	: Malaysia External Trade Development Corporation
MCCG	: Malaysian Code on Corporate Governance, issued by the SC
MCO	: The Malaysia movement control order, commonly referred to as the MCO, a restriction imposed on the movement of people implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country, and includes all its subsequent phases, being the CMCO, RMCO, EMCO, FMCO and/or variations of these thereof
MDA	: Medical Device Authority
MFRS	: Malaysian Financial Reporting Standards
MIDA	: Malaysian Investment Development Authority

DEFINITIONS (Cont'd)

MITI	:	Ministry of Investment, Trade and Industry of Malaysia
MOF	:	Ministry of Finance Malaysia
MOH	:	Ministry of Health Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of the Offer Shares by our Selling Shareholders at our IPO Price
Offer Share(s)	:	62,500,000 existing Share(s) to be offered under our Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 15.5 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-to-earnings multiple
Pink Form Allocations	:	Allocation of 31,250,000 Issue Shares to our Eligible Persons which forms part of our Public Issue
Principal Adviser or Sponsor or Placement Agent or Underwriter	:	M & A Securities
Promoters or Specified Shareholders	:	Collectively, Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen, Sam Lai Yoong and Trinity
Property No. 3	:	Property located at No. 3, Jalan Anggerik Mokara 31/60, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor, Malaysia
Property No. 8	:	Property located at No. 8, Jalan Bestari 5/KU7, Mukim Kapar, Daerah Klang, 42200 Klang, Selangor, Malaysia
Property No. 13	:	Property located at No. 13, Jalan Industri SMD Kundang, Kawasan Perindustrian Kundang, 48020 Rawang, Selangor, Malaysia
Property No. 17	:	Property located at No. 17, Jalan Anggerik Mokara 31/57, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor, Malaysia

DEFINITIONS (*Cont'd*)

Property No. 19	: Property located at No. 19, Jalan Anggerik Mokara 31/57, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor, Malaysia
Property No. 138	: Property located at No. 138, Jalan Star Avenue, Pusat Perniagaan Star Avenue, 14100 Simpang Ampat, Pulau Pinang, Malaysia
Prospectus	: This prospectus dated 25 May 2026 in relation to our IPO
Prospectus Guidelines	: Prospectus Guidelines issued by the SC, as amended from time to time
Public Issue	: Public issue of 125,000,000 Issue Shares at our IPO Price
QC	: Quality control
RMCO	: Recovery MCO
ROC	: Registrar of Companies
SC	: Securities Commission Malaysia
Selling Shareholders	: Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong, who are undertaking the Offer for Sale, collectively
Share Transfer	: Transfer by Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong of an aggregate of 426,631,999 Shares (representing 68.26% of the enlarged total number of Shares of Eckem Holdings upon our IPO) to Trinity, an investment holding company held by Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong during the prescribed period
Share(s) or Eckem Holdings Shares	: Ordinary share(s) in our Company
SICDA	: Securities Industry (Central Depositories) Act 1991
SOCSSO	: Social Security Organisation
SOP	: Standard operating procedures
Trinity	: Trinity Equity Sdn Bhd (Registration No. 202401002003 (1547853-K))
UK	: United Kingdom
Underwriting Agreement	: Underwriting agreement dated 8 April 2026 entered into between our Company and the Underwriter pursuant to our IPO
USA	: United States of America

DEFINITIONS (*Cont'd*)

CURRENCIES AND UNITS:

EUR	:	Euro
kg	:	Kilogram
mm	:	millimetre
MT	:	Metric tonne
RM or sen	:	Ringgit Malaysia and sen respectively
SGD	:	Singapore Dollar
sq ft	:	Square feet
USD	:	United States Dollar

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TECHNICAL GLOSSARY

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

Additives	: Substances added in small quantities to improve or modify the properties of another material. Additives can enhance performance, durability, processing characteristics or appearance of the base material
Antioxidants	: Substances that could delay the aging of polymer compounds and prolong the service life of rubber products by inhibiting oxidation, heat, or light radiation
Compounders	: Chemical blending companies
Compounding	: The process of adding various additives to rubber latex to achieve specific desired properties
Die cutting	: The process of punch out individual pieces from the latex sheet using a metal die
Dipping	: The process of transforming compounded latex into sheets using a mould of the final product being manufactured
Fillers	: Materials added to other substances to increase volume, alter physical properties or reduce cost. They improve the strength, stiffness and durability of composites and polymers
Flavourings	: Substances used to give a specific taste or smell of the product, improve or change the taste or smell of the product
IBC	: Intermediate bulk containers. Large industrial-grade containers used for the transportation, storage and handling of chemicals
Inorganic	: Chemical compounds such as salts, metals and substances made from single compounds in the periodic table that do not have carbon-hydrogen bonds
Natural latex	: A white milky fluid obtained from the tapping of rubber trees
Organic	: Chemical compounds that contains a carbon-hydrogen or carbon-carbon bond. These include nucleic acids, fats, sugars, proteins, enzymes, and hydrocarbon fuels
Pigments	: Organic and inorganic substances that impart colour to other materials
Resins	: A class of compounds that typically form a solid substance when cured from a liquid or soft state. Resins are commonly used in industrial applications due to their adhesive, insulating and mechanical properties

TECHNICAL GLOSSARY (Cont'd)

Rubber products	: In the context of this Prospectus, comprises personal care products such as dental dams, latex sheets, prophylactic (oral) dams as well as lifestyle products such as exercise bands, all of which are made from rubber latex
Slitting	: The process of cutting wide latex sheets into narrower rolls or strips using a slitting machine
Specialty chemicals	: Chemicals that are used as ingredients in finished products and to improve manufacturing processes. Specialty chemicals are used to enhance the efficiency and quality of products across a wide range of industries
UV	: Ultraviolet. A type of electromagnetic radiation emanating from the sun that is not visible to the human eye
Vulcanising agent	: Chemical compounds that are added to strengthen the rubber compound properties in a treatment process known as vulcanisation

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality	Gender
Ng Moh Mang	Independent Non-Executive Chairman	1, Jalan PJU 1A/23A Ara Damansara 47301 Petaling Jaya Selangor	Malaysian	Male
Tan Kwang Wah	Managing Director	No. 90, Jalan Wawasan 3/8 Pusat Bandar Puchong 47160 Puchong Selangor	Malaysian	Male
Tan Khai Jeik	Executive Director	No. 9, Jalan Dafodil 6/1 Gamuda Kemuning 25.7 42500 Telok Panglima Garang Selangor	Malaysian	Male
How Dai Koan	Independent Non-Executive Director	73, Jalan Hujan Emas 3 Taman Overseas Union 58200 Kuala Lumpur	Malaysian	Female
Kok Kong Chin	Independent Non-Executive Director	21, Lorong Batai Barat Bukit Damansara 50490 Kuala Lumpur	Malaysian	Male
Nurizan Binti Jalil	Independent Non-Executive Director	Unit 15-01, Flora Murni Condominium Jalan Kiara 3, Mont Kiara 50480 Kuala Lumpur	Malaysian	Female

AUDIT COMMITTEE

Name	Designation	Directorship
How Dai Koan	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Director
Nurizan Binti Jalil	Member	Independent Non-Executive Director

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Kok Kong Chin	Chairperson	Independent Non-Executive Director
Nurizan Binti Jalil	Member	Independent Non-Executive Director
How Dai Koan	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Nurizan Binti Jalil	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Director
How Dai Koan	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Tan Tong Lang
(SSM Practicing Certificate No.: 202208000250)
(MAICSA 7045482)
(Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators)

Lim Wen Theng
(SSM Practicing Certificate No.: 202308000441)
(MAICSA 7073397)
(Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators)

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

Telephone No.: +603-9770 2200

REGISTERED OFFICE : B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

Telephone No.: +603-9770 2200

HEAD OFFICE : No. 3, Jalan Anggerik Mokara 31/60
Seksyen 31, Kota Kemuning
40460 Shah Alam
Selangor

Telephone No.: +603-5122 1335

EMAIL ADDRESS AND WEBSITE : Website: www.eckem.com
Email address: general@eckem.com

1. CORPORATE DIRECTORY (Cont'd)

PRINCIPAL SPONSOR, UNDERWRITER AND PLACEMENT AGENT **ADVISER, :** **M & A Securities Sdn Bhd**
(Registration No. 197301001503 (15017-H))

Levels 3 and 7, 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone No.: +603-2284 2911

AUDITORS AND : **Crowe Malaysia PLT**
REPORTING Registration No.: 201906000005
ACCOUNTANTS FOR OUR LLP No.: LLP0018817-LCA
LISTING Firm No.: AF 1018

Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Partner-in-charge: Chan Kuan Chee
Approval No.: 02271/10/2027 J
(Chartered Accountant of the Malaysian Institute of Accountants
(MIA Membership No. 15212), Certified Public Accountant of the
Malaysian Institute of Certified Public Accountants and Certified
Fraud Examiners of the Association of Certified Fraud Examiners)

Telephone No.: +603-2788 9999

SOLICITORS FOR OUR : **David Lai & Tan**
LISTING IN RESPECT OF
THE LAWS IN MALAYSIA

Level 9, Wisma Miramas
No. 1 Jalan 2/109E, Taman Desa
Jalan Klang Lama
58100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Telephone No.: +603-7972 7968

SOLICITORS FOR OUR : **Avant Law LLC**
LISTING IN RESPECT OF
THE LAWS IN SINGAPORE

10 Anson Road
#10-02 International Plaza
Singapore 079903

Telephone No.: +65-6926 9668

1. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT RESEARCHER	MARKET :	Providence Strategic Partners Sdn Bhd (Registration No.: 201701024744 (1238910-A)) P-6-5, Pacific Towers Jalan 13/6 46200 Petaling Jaya Selangor Telephone No.: +603-7625 1769 Person-in-charge: Elizabeth Dhoss (Bachelor of Business Administration from the University of Malaya)
ISSUING HOUSE SHARE REGISTRAR	AND :	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Telephone No.: +603-2783 9299
LISTING SOUGHT	:	ACE Market

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2. APPROVALS AND CONDITIONS**2.1 APPROVALS AND CONDITIONS****2.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 6 February 2026, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued Shares on the ACE Market.

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

No.	Details of conditions imposed	Status of compliance
(a)	Submission of the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	Complied
(b)	Approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of the Company at least 1 market day prior to the date of Listing;	To be complied
(f)	Furnish to Bursa Securities a confirmation of compliance with Paragraph 2.2(b)(ii)(aa) of Guidance Note 10 of the Listing Requirements by all the directors at least 2 market days prior to the listing date, together with copy of the Mandatory Accreditation Programme certificates;	To be complied
(g)	In relation to the Public Issue to be undertaken by the Company, to announce at least 2 market days prior to the date of Listing, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation;	To be complied

2. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of conditions imposed	Status of compliance
(iii)	A table showing the distribution for placement tranche; and	
(iv)	Disclosure of placees who become substantial shareholders of the Company arising from the Public Issue, if any.	
	M & A Securities must ensure that the overall distribution of the Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	
(h)	Eckem Holdings/M & A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of the Company to the Official List of the ACE Market.	To be complied

2.1.2 SC

Our IPO is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 24 February 2026, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	Eckem Holdings to allocate 12.50% of its enlarged number of issued shares upon Listing to Bumiputera investors to be approved by the MITI; and	Complied
(b)	Eckem Holdings to make available at least 50.00% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	Complied

2.1.3 MITI

The MITI had, vide its letter dated 5 March 2026, stated that it has agreed to our Listing.

2. APPROVALS AND CONDITIONS (Cont'd)

2.2 MORATORIUM ON OUR SHARES

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

- (a) The moratorium applies to the entire shareholdings of our Specified Shareholder for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (b) Upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholder's aggregate shareholdings amounting to at least 45.00% of the total number of issued ordinary shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (c) On the expiry of the Second 6-Month Moratorium, our Specified Shareholder may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

Details of our Specified Shareholder and its Shares which will be subject to the abovementioned moratorium are set out below:

Name	Year 1				Year 2		Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares		Moratorium shares	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Trinity ⁽²⁾	⁽³⁾ 426,632,000	68.26	281,250,000	45.00	187,500,000	30.00	93,750,000	15.00

Notes:

- (1) Based on our enlarged total number of 625,000,000 Shares after our IPO.

2. APPROVALS AND CONDITIONS (Cont'd)

(2) As at the LPD, the directors and shareholders and their respective shareholdings in Trinity are as follows:

Directors and shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Kwang Wah	Malaysian	6,823	68.23	⁽¹⁾ 3,177	31.77
Tan Khai Jeik	Malaysian	226	2.26	-	-
Tan Khai Wen	Malaysian	1,532	15.32	-	-
Sam Lai Yoong	Malaysian	1,419	14.19	-	-
Total		10,000	100.00	-	-

Note:

(1) Deemed interest by virtue of his spouse, Sam Lai Yoong's, and his sons, Tan Khai Jeik's and Tan Khai Wen's, interest held in Trinity pursuant to Section 8 of the Act.

(3) Shareholdings after the Share Transfer.

The moratorium has been fully accepted by our Specified Shareholder, who has provided written undertakings that it will not sell, transfer or assign its shareholdings under moratorium during the abovementioned moratorium period in accordance with Rule 3.19(1) of the Listing Requirements.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the abovementioned Specified Shareholder to ensure that our Share Registrar does not register any transfer or assignment that contravenes with such restrictions.

Separately, the ultimate shareholders of Trinity, namely Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong have also undertaken not to sell, transfer or assign his/her shareholdings in Trinity during the abovementioned moratorium period in accordance with Rule 3.19(2) of the Listing Requirements.

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS RELATING TO OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

Allocation	No. of Shares	RM	(1)%
Public Issue			
Malaysian Public via balloting process:			
- Non-Bumiputera	15,625,000	1,875,000	2.50
- Bumiputera	15,625,000	1,875,000	2.50
Eligible Persons via Pink Form Allocations	31,250,000	3,750,000	5.00
Private placement to Bumiputera investors approved by MITI	15,625,000	1,875,000	2.50
Private placement to selected investors	46,875,000	5,625,000	7.50
Offer for sale			
Private placement to Bumiputera investors approved by MITI	62,500,000	7,500,000	10.00
Enlarged no. of Shares upon our Listing		625,000,000	
IPO Price per Share		RM0.12	
Market capitalisation ⁽²⁾		RM75,000,000	

Notes:

⁽¹⁾ Based on our enlarged total number of 625,000,000 Shares after our IPO.

⁽²⁾ Based on our IPO Price and our enlarged total number of 625,000,000 Shares upon our Listing.

Further details of our IPO are set out in Section 4 of this Prospectus.

Our Specified Shareholder's entire shareholdings after our IPO will be held under moratorium for a period of 6 months from the date of our admission to the ACE Market. Thereafter, its shareholdings amounting to at least 45.00% of our total number of issued ordinary shares will remain under moratorium for another period of 6 months. Our Specified Shareholder may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of its Shares held under moratorium upon expiry of the second 6 months period.

Separately, the ultimate shareholders of Trinity, namely Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong have also undertaken not to sell, transfer or assign his/her shareholdings in Trinity during the moratorium period in accordance with Rule 3.19(2) of the Listing Requirements.

Further details on the moratorium on our Shares are set out in Section 2.2 of this Prospectus.

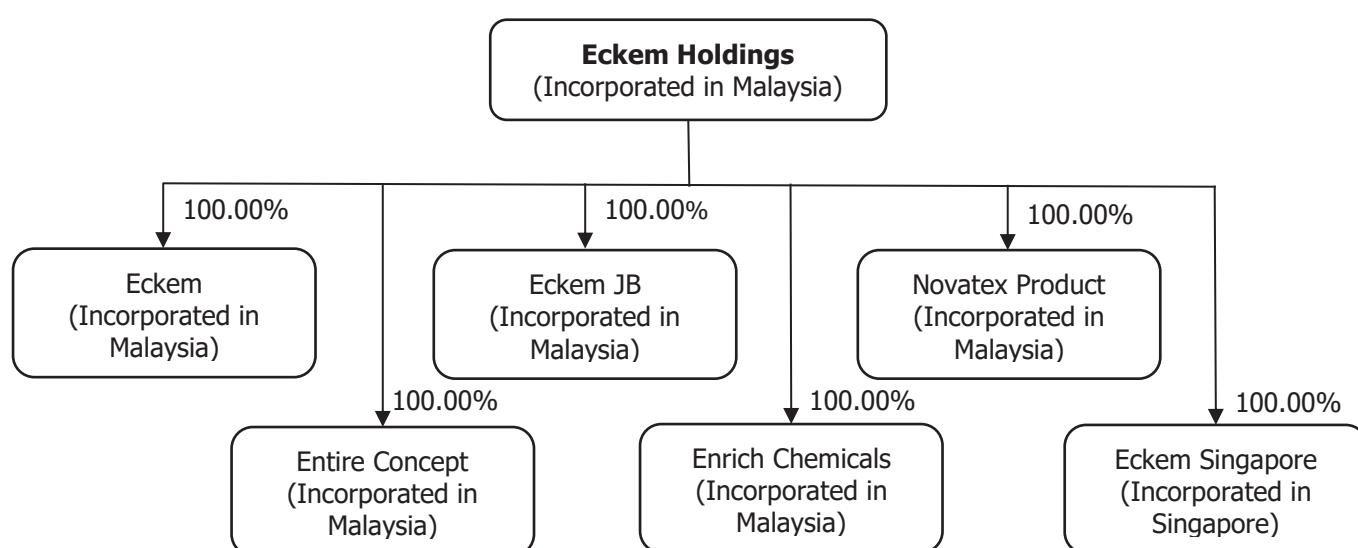
3. PROSPECTUS SUMMARY (Cont'd)

3.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated on 22 January 2024 under the Act as a private limited company under the name of Eckem Holdings Sdn Bhd. Subsequently, our Company was converted into a public limited company on 22 August 2025 and assumed our present name as Eckem Holdings Berhad.

Our Company is an investment holding company. Through our subsidiaries, we focus principally on the distribution, sales and application formulation of specialty industrial chemical products as well as manufacturing and trading of rubber products.

Our Group structure is as follows:



Our business model can be illustrated as follows:

Business segments	Distribution, sales and application formulation of specialty industrial chemical products	Manufacturing and trading of rubber products
Product range	- Resins - Pigments and fillers - Additives	- Personal care products - Lifestyle products
Application and revenue contribution in FYE 2025	- Paints and coatings (52.04%) - Construction and building materials (12.56%) - Personal protective equipment (8.58%) - Inks (1.14%) - Household and personal care (2.47%) - Adhesives (3.18%) - Automotive coatings and care (5.97%) - Others (1.54%)	- Industrial - Medical - Lifestyle
Revenue contribution in FYE 2025	92.48%	7.52%

Further details of our Group and our business model are set out in Section 6 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

The breakdown of our Group's revenue by business segments for the Financial Periods Under Review are as follows:

Business segments	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution, sales and application formulation of specialty industrial chemical products								
- Additives	22,796	53.14	23,951	64.47	27,085	61.65	25,680	66.42
- Resins	19,484	45.42	11,303	30.42	12,766	29.06	8,788	22.73
- Pigments and fillers	526	1.22	761	2.05	1,020	2.32	1,287	3.33
Subtotal	42,806	99.78	36,015	96.94	40,871	93.03	35,755	92.48
Manufacturing and trading of rubber products								
- Personal care products ⁽¹⁾	95	0.22	1,136	3.06	2,789	6.35	2,905	7.51
- Lifestyle products ⁽²⁾	-	-	-	-	272	0.62	2	0.01
Subtotal	95	0.22	1,136	3.06	3,061	6.97	2,907	7.52
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Notes:

(1) Comprises revenue derived from the sale of dental dams, latex sheets, prophylactic (oral) dams and other rubber products. Trading of rubber products accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

(2) Comprises revenue derived from sale of exercise bands.

Our Group's operations are headquartered in Malaysia. Our subsidiary in Singapore, Eckem Singapore, is established to facilitate the trading of specialty industrial chemical products in the Singapore market.

Our principal market is Malaysia. The breakdown of our Group's revenue by geographical locations for the Financial Periods Under Review are as follows:

Geographical locations	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	42,360	98.74	36,551	98.39	41,692	94.90	36,361	94.05
Overseas								
China	-	-	90	0.24	778	1.77	1,045	2.70
Ukraine	-	-	69	0.19	284	0.65	99	0.26

3. PROSPECTUS SUMMARY (Cont'd)

Geographical locations	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
USA	-	-	117	0.31	241	0.55	418	1.08
Netherlands	-	-	105	0.28	201	0.46	191	0.49
UK	-	-	-	-	160	0.36	166	0.43
Singapore	456	1.06	176	0.47	371	0.84	149	0.39
Thailand	72	0.17	32	0.09	125	0.29	-	-
Others ⁽¹⁾	13	0.03	11	0.03	80	0.18	233	0.60
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Note:

- (1) Comprises revenue derived from Australia, Brazil, Hong Kong, Iraq, Japan, Taiwan, the Philippines, Sri Lanka and Argentina.

3.3 COMPETITIVE STRENGTHS AND BUSINESS STRATEGIES**3.3.1 Competitive strengths**

Our competitive strengths are summarised below:

- (a) We distribute a wide variety of specialty industrial chemical products. We have developed a comprehensive product portfolio for the end user applications within the specialty industrial chemical products market that we are focusing on. We offer a total of 310 different specialty industrial chemical products sourced from our third-party brand principals, suppliers and contract manufacturers under the product categories of resins, pigments as well as fillers and additives;
- (b) Our specialty industrial chemical products are sourced from established third-party brand principals and suppliers. The products manufactured by our third-party brand principals and suppliers are internationally recognised for their quality, reliability, and performance, and have gained wide acceptance across various industries in global markets, reflecting their strong brand reputation and consistent compliance with international standards. Our long-standing relationships with our suppliers enable us to ensure consistent quality and volume of supplies on top of our wide variety of product offerings. This has in turn allowed us to build a track record with our customers by continuously maintaining consistent quality and delivery of our products;
- (c) We have in-depth knowledge and experience in the specialty industrial chemicals industry to meet our customers' requirements. With approximately 19 years of experience in the specialty industrial chemicals industry, we have accumulated in-depth industry knowledge and experience as well as understanding of the characteristics, attributes and formulation of specialty industrial chemical products for the various applications of our customers. This allows us to provide advice, recommendations as well as customised solutions for our customers based on their intended applications and requirements of the specialty industrial chemical products in whatever applications that they need in their respective sector and industry, in terms of desired results of the end-products and budget considerations; and

3. PROSPECTUS SUMMARY *(Cont'd)*

- (d) We have an experienced key senior management team to sustain and continue developing our business. Our Group is led by our key senior management team which possess in-depth industry knowledge and experience in the specialty industrial chemicals industry. Our Managing Director, Tan Kwang Wah has approximately 34 years of experience in the industrial chemicals industry and business. He has been instrumental in developing the growth strategies that have led to the growth of our Group since our incorporation and will continue to play a pivotal role in the future growth of our Group.

Further details of our competitive strengths are set out in Section 6.5.9 of this Prospectus.

3.3.2 Business strategies

Our business strategies are summarised below:

- (a) We intend to deepen our penetration and strengthen our market position. We principally operate in Malaysia and Singapore through our subsidiaries or sales representatives. As such, Malaysia and Singapore are the foundation for further growth of our business. We will continue to focus on strengthening our brand recognition and solidifying our current market position by deepening our penetration of the specialty industrial chemicals industry in Malaysia and Singapore, respectively, through the selling of a more diversified range of products to our customers to serve their different demands;
- (b) We intend to construct our new corporate office, warehouse and laboratory. We currently operate from our offices, warehouses and laboratory located at Property No. 3, Property No. 17 and Property No. 19 which collectively have a total built-up area of approximately 17,138 sq ft. Our employees currently occupied the available floor space and as our Group continues to expand, the existing premises will not be able to provide sufficient capacity for us to accommodate the growing workforce and the additional space required for product storage to support the increasing demands of our business; and
- (c) We intend to expand new production line for our rubber products. Presently, our subsidiary, Novatex Product manufactures rubber products at our factory in Rawang bearing the address of Property No. 13 where we have 1 production line installed with a total annual production capacity of 134 MT. The utilisation rate of this manufacturing facility was 71.23% in FYE 2025. As we plan to grow our manufacturing and trading of rubber products segment and anticipates a higher utilisation rate of our manufacturing facility, hence we intend to increase our production capacity by adding a new production line.

Further details of our business strategies are set out in Section 6.6 of this Prospectus.

3.4 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 8 of this Prospectus. Some of the more important risk factors are summarised below:

- (a) **We are dependent on our major suppliers for specialty industrial chemical products and we are subject to fluctuations in prices of raw materials**

In FYE 2022, FYE 2023, FYE 2024 and FYE 2025, our top 5 major suppliers accounted for 93.65%, 91.09%, 88.08% and 85.26% of our total actual purchases, respectively. Any significant increases in the cost of our raw materials may increase our cost of sales and negatively affect our profit margin and, more generally, our business and

3. PROSPECTUS SUMMARY (Cont'd)

financial performance. A reduction in, or lack of availability of specialty industrial chemical products or interruptions in the supply chain may also impact our profitability to the extent that we are required to pay higher prices for, or are unable to secure adequate supplies of, the necessary raw materials.

(b) Demand for our specialty industrial chemical products are dependent, among other things, on the condition of the economy of the countries in which we sell our products

We derive revenue primarily from the distribution, sales and application formulation of specialty industrial chemical products segment in Malaysia and Singapore. In Malaysia and Singapore, general economic condition, interest rate levels, inflation and unemployment rates, demographic trends, gross domestic product growth and consumer confidence, among other things, influence the growth of industries where our products are widely used or applied. A decline in demand or a shift to lower value end products with a lower demand for our products resulting from deteriorating economic condition may affect our business and financial performance.

(c) We require various licenses and permits for the operation of our business

Failure to comply with the applicable laws or regulations may result in local authorities imposing fines or suspending our business operations.

(d) We rely on our management team as well as the recruitment and retention of other qualified personnel

Members of our management team are key to our success because of their expertise and experience in our industry and expertise in managing our operations. In addition, the relationship and reputation that our management team has established and maintained with our customers and suppliers contribute to our ability to maintain good relationships with customers and suppliers. As a result, a loss of any of our key management without timely replacement may adversely affect our business and results of operations.

3.5 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Ng Moh Mang	Independent Non-Executive Chairman
Tan Kwang Wah	Managing Director
Tan Khai Jeik	Executive Director
How Dai Koan	Independent Non-Executive Director
Kok Kong Chin	Independent Non-Executive Director
Nurizan Binti Jalil	Independent Non-Executive Director
Key senior management	
Tan Khai Wen	Chief Operating Officer
Kam Shih Wui	Chief Financial Officer
Lim Ee Chee	Purchasing Manager

Further details of our Directors and key senior management are set out in Section 5 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and/or substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality/ Country of incorporation	⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Trinity	Malaysia	⁽³⁾ 1	*	-	-	426,632,000	68.26	-	-
Tan Kwang Wah	Malaysian	312,977,999	62.60	⁽⁴⁾ 176,154,001	35.23	-	-	⁽⁵⁾ 426,632,000	68.26
Tan Khai Jeik	Malaysian	22,146,000	4.43	-	-	-	-	-	-
Tan Khai Wen	Malaysian	77,854,000	15.57	-	-	-	-	-	-
Sam Lai Yoong	Malaysian	76,154,000	15.23	-	-	-	-	-	-

Notes:

* Less than 0.01%.

⁽¹⁾ Based on the total number of 500,000,000 Shares after the Acquisitions but before our IPO.

⁽²⁾ Based on the enlarged total number of 625,000,000 Shares after our IPO.

⁽³⁾ Comprises 1 subscriber share issued at RM1.00 per Share to Lau Hooi Pin, a third-party and the initial subscriber, which was subsequently transferred to Trinity on 19 August 2025 for a cash consideration of RM1.00 per Share.

⁽⁴⁾ Deemed interest by virtue of his interest held in Trinity, and his spouse, Sam Lai Yoong's, as well as his sons, Tan Khai Jeik's and Tan Khai Wen's, interest held in the Company pursuant to Section 8 and Section 59(11)(c) of the Act.

⁽⁵⁾ Deemed interest by virtue of his interest held in Trinity pursuant to Section 8 of the Act.

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

3. PROSPECTUS SUMMARY (Cont'd)**3.7 UTILISATION OF PROCEEDS**

The estimated gross proceeds from our Public Issue of RM15.00 million will accrue entirely to us and are planned to be utilised in the following manner:

Description of utilisation	RM'000	%	Estimated timeframe for utilisation from the Listing date
Construction of new corporate office, warehouse and laboratory	6,000	40.00	Within 36 months
Expansion of new production line for our rubber products	2,000	13.33	Within 24 months
Repayment of bank borrowings	1,450	9.67	Within 12 months
Working capital	1,750	11.67	Within 24 months
Estimated listing expenses	3,800	25.33	Within 1 month
Total	15,000	100.00	

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9 of this Prospectus.

3.8 FINANCIAL AND OPERATIONAL INFORMATION

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

3.8.1 Historical combined statements of profit or loss and other comprehensive income and cash flows

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income and cash flows for the Financial Periods Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Combined statements of profit or loss and other comprehensive income				
Revenue	42,901	37,151	43,932	38,662
GP	10,840	12,044	12,080	10,741
PBT	6,584	8,992	7,521	5,957
PAT	4,870	6,859	5,647	4,478

3. PROSPECTUS SUMMARY (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Combined statements of cash flows				
Net cash from operating activities	6,410	3,993	5,005	5,895
Net cash for investing activities	(3,028)	(6,801)	(79)	(19)
Net cash for financing activities	(1,648)	(1,084)	(2,028)	(3,415)
Net increase/(decrease) in cash and bank balances	1,734	(3,892)	2,898	2,461
Effects of foreign exchange translation	28	9	(115)	(136)
Cash and bank balances at the beginning of the financial year	5,223	6,985	3,102	5,885
Cash and bank balances at the end of the financial year	6,985	3,102	5,885	8,210
GP margin (%) ⁽¹⁾	25.27	32.42	27.50	27.78
PBT margin (%) ⁽²⁾	15.35	24.20	17.12	15.41
PAT margin (%) ⁽²⁾	11.35	18.46	12.85	11.58
Basic EPS (sen) ⁽³⁾	0.97	1.37	1.13	0.90
Diluted EPS (sen) ⁽⁴⁾	0.78	1.10	0.90	0.72

Notes:

- (1) Calculated based on GP divided by revenue.
- (2) Calculated based on PBT or PAT divided by revenue.
- (3) Calculated based on PAT divided by our total number of 500,000,000 Shares after the Acquisitions but before our IPO.
- (4) Calculated based on PAT divided by our enlarged total number of 625,000,000 Shares after our IPO.

3.8.2 Historical combined statements of financial position

The following table sets out the financial highlights based on our combined statements of financial position for the Financial Periods Under Review:

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets	30,897	40,172	50,608	56,619
Current assets	19,286	20,766	24,338	27,638
TOTAL ASSETS	50,183	60,938	74,946	84,257
EQUITY				
	22,865	30,219	34,562	39,033

3. PROSPECTUS SUMMARY (Cont'd)

Audited				
As at 31 December				
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
LIABILITIES				
Non-current liabilities	18,585	20,499	33,605	36,716
Current liabilities	8,733	10,220	6,779	8,508
TOTAL LIABILITIES	27,318	30,719	40,384	45,224
TOTAL EQUITY AND LIABILITIES	50,183	60,938	74,946	84,257
Trade receivables turnover (days)	69	73	68	73
Trade payables turnover (days)	52	60	49	51
Inventory turnover (days)	49	104	101	117
Current ratio (times)	2.21	2.03	3.59	3.25
Gearing ratio (times)	0.84	0.70	1.01	0.98

Further details on the financial information are set out in Sections 11 and 12 of this Prospectus.

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

3.9 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

During the Financial Periods Under review and up to the LPD, dividends declared and paid by our Group were as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 January 2026 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared in respect of	-	-	1,900	-	-
Dividends paid	-	-	1,850	50	-

The dividends above were funded by internally generated funds.

As at the LPD, there is no outstanding dividend declared but remained unpaid. Our Group does not intend to declare or pay any dividend prior to our Listing.

Further details of our dividend policy are set out in Section 11.7 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 25 May 2026 and will remain open until 5.00 p.m. on 19 June 2026. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative time and/or date
Issuance of this Prospectus/Opening of Application	10.00 a.m., 25 May 2026
Closing Date/Closing of Application	5.00 p.m., 19 June 2026
Balloting of Application	24 June 2026
Allotment/Transfer of IPO Shares to successful applicants	1 July 2026
Date of Listing	3 July 2026

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

4.3 LISTING SCHEME

4.3.1 Public Issue

A total of 125,000,000 Issue Shares, representing 20.00% of our enlarged issued Shares are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

31,250,000 Issue Shares, representing 5.00% of our enlarged issued Shares, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 15,625,000 Issue Shares, representing 2.50% of our enlarged issued Shares, made available to public investors; and
- (ii) 15,625,000 Issue Shares, representing 2.50% of our enlarged issued Shares, made available to Bumiputera public investors.

(b) Eligible Persons

31,250,000 Issue Shares, representing 5.00% of our enlarged issued Shares, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3 of this Prospectus.

(c) Private placement to Bumiputera investors approved by MITI

15,625,000 Issue Shares, representing 2.50% of our enlarged issued Shares, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (*Cont'd*)

(d) Private placement to selected investors

46,875,000 Issue Shares, representing 7.50% of our enlarged issued Shares, are reserved for private placement to selected investors.

Our Public Issue is expected to raise gross proceeds of RM15.00 million and will accrue entirely to our Company.

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4. DETAILS OF OUR IPO (Cont'd)

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or "greenshoe" option that will result in an increase in the number of our Issue Shares. Our Public Issue is subject to the terms and conditions of this Prospectus.

4.3.2 Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 62,500,000 Offer Shares, representing 10.00% of our enlarged issued Shares by way of private placement to Bumiputera investors approved by MITI at the IPO Price. The details of our Selling Shareholders and their relationship with our Group are as follows:

Name / Address	Relationship with our Group		As at the LPD but before our IPO		Offer Shares offered			After our IPO ⁽³⁾	
			No. of Shares	(1) %	No. of Shares	(1) %	(2) %	No. of Shares	(2) %
Tan Kwang Wah/ No. 90, Jalan Wawasan 3/8 Pusat Bandar Puchong 47160 Puchong Selangor	Promoter, Specified Shareholder, substantial shareholder and Managing Director		312,977,999	62.60	21,875,000	4.38	3.50	291,102,999	46.58
Tan Khai Jeik/ No. 9, Jalan Dafodil 6/1 Gamuda Kemuning 25.7 42500 Telok Panglima Garang Selangor	Promoter, Specified Shareholder and Executive Director		22,146,000	4.43	12,500,000	2.50	2.00	9,646,000	1.54

4. DETAILS OF OUR IPO (Cont'd)

Name/Address	Relationship with our Group	As at the LPD but before our IPO		Offer Shares offered			After our IPO ⁽³⁾	
		No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	⁽²⁾ %	No. of Shares	⁽²⁾ %
Tan Khai Wen/ No. 10, Jalan Anggerik Oncidium 31/78D Kota Kemuning 40460 Shah Alam Selangor	Promoter, Specified Shareholder and Chief Operating Officer	77,854,000	15.57	12,500,000	2.50	2.00	65,354,000	10.46
Sam Lai Yoong/ No. 90, Jalan Wawasan 3/8 Pusat Bandar Puchong 47160 Puchong Selangor	Promoter and Specified Shareholder	76,154,000	15.23	15,625,000	3.13	2.50	60,529,000	9.68

Notes:

- ⁽¹⁾ Based on our total number of 500,000,000 Shares as at the LPD but before our IPO.
- ⁽²⁾ Based on our enlarged total number of 625,000,000 Shares after our IPO.
- ⁽³⁾ Shareholdings before the Share Transfer.

The Offer for Sale is subject to the terms and conditions of this Prospectus. Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and/or Directors are set out in Section 5.1 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Pink Form Allocations**

We have allocated 31,250,000 Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	4	7,000,000
Eligible employees	29	24,250,000
Total	33	31,250,000

Pink Form Allocations which are not accepted by certain Eligible Persons will be re-allocated to other eligible Directors as set out in the table below and eligible employees at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Tan Kwang Wah (our Managing Director) and Tan Khai Jeik (our Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and/or Selling Shareholders.

The number of Issue Shares to be allocated to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Ng Moh Mang	Independent Non-Executive Chairman	4,000,000
How Dai Koan	Independent Non-Executive Director	-
Kok Kong Chin	Independent Non-Executive Director	2,000,000
Nurizan Binti Jalil	Independent Non-Executive Director	1,000,000
Total		7,000,000

4. DETAILS OF OUR IPO (Cont'd)**(b) Allocation to eligible employees**

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) the number of Issue Shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) full time employee of at least 18 years of age.

Tan Khai Wen (our Chief Operating Officer) has opted not to participate in the Pink Form Allocations as he is already our Selling Shareholder.

The number of Issue Shares to be allocated to our key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Kam Shih Wui	Chief Financial Officer	400,000
Lim Ee Chee	Purchasing Manager	400,000
Total		800,000

4.3.4 Clawback and re-allocation

Any of our Issue Shares not subscribed for by the Malaysian Public or under Pink Form Allocations (after re-allocation to the other Eligible Persons) will be made available to selected investors via private placement.

However, if all Issue Shares offered to the Malaysian Public are oversubscribed, Shares not subscribed for under the Pink Form Allocations (if any), will firstly be made available to the selected investors via private placement before being made available for application by the Malaysian Public.

Likewise, if any Issue Shares offered to the Malaysian Public are undersubscribed, Shares not subscribed for will be made available to selected investors via private placement before being allocated for excess application by our Eligible Persons.

Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

The allocation of IPO Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such IPO Shares shall be subject to the following clawback and re-allocation provisions:

- (a) Any unsubscribed IPO Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Bumiputera public investors via public balloting. If after

4. DETAILS OF OUR IPO (Cont'd)

the above allocation, there are still IPO Shares not taken up, the said unsubscribed IPO Shares shall then be offered to Malaysian institutional investors;

- (b) After (a) above, the remaining portion will be made available for:
 - (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified, the proportion of which will be determined by our Board and Placement Agent.

The clawback and re-allocation shall not apply in the event of oversubscription of our IPO Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

As at the LPD, save as disclosed in Section 4.3.3 of this Prospectus, to the extent known to our Company:

- (i) there are no substantial shareholder(s), Director(s) or key senior management of our Company who have indicated to our Company that they intend to subscribe for our IPO Shares; and
- (ii) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.00% of our IPO Shares.

4.3.5 Minimum and over-subscription

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

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M & A Securities, as our Principal Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) our pro forma NA per Share as at 31 December 2025 after adjustments for drawdown of term loans, the Acquisitions, the Public Issue and the utilisation of proceeds of

4. DETAILS OF OUR IPO (Cont'd)

RM0.08, calculated based on our pro forma NA as at 31 December 2025 of approximately RM50.23 million and enlarged total number of 625,000,000 Shares upon our Listing;

- (b) the PE Multiple of our IPO Price of approximately 16.67 times based on our EPS of 0.72 sen, calculated based on our PAT for FYE 2025 of RM4.48 million and our enlarged total number of 625,000,000 Shares upon our Listing;
- (c) our historical financial track record as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	42,901	37,151	43,932	38,662
GP	10,840	12,044	12,080	10,741
PAT	4,870	6,859	5,647	4,478

- (d) our competitive strengths as set out in Section 6.5.9 of this Prospectus; and
- (e) our business strategies as set out in Section 6.6 of this Prospectus.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	500,000,000	34,250,001
To be issued under our Public Issue	125,000,000	⁽¹⁾ 13,733,600
Enlarged share capital upon our Listing	625,000,000	47,983,601

Note:

- ⁽¹⁾ Calculated based on the IPO Price of RM0.12 per Issue Share and after deducting estimated listing expenses of approximately RM1.27 million, which are listing expenses that are directly attributable to our IPO and as such, will be debited against the share capital of our Group.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends

4. DETAILS OF OUR IPO (Cont'd)

and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. Every shareholder presents in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) to enable our Group to raise funds for the purposes specified in Section 4.9 of this Prospectus herein;
- (b) to gain recognition through our listing status to enhance our reputation in the marketing of our products and to retain and attract new, skilled employees from the specialty industrial chemicals and rubber products industries;
- (c) to provide an opportunity for the Malaysian Public, including our eligible Directors and employees to participate in our equity; and
- (d) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.7 TOTAL MARKET CAPITALISATION UPON OUR LISTING

Based on our IPO Price and enlarged total number of 625,000,000 Shares upon our Listing, our total market capitalisation will be RM75,000,000.

4.8 DILUTION

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

		RM
IPO Price	(A)	0.12

4. DETAILS OF OUR IPO (Cont'd)

		RM
Pro forma NA per Share as at 31 December 2025 after adjustments for drawdown of term loans and the Acquisitions but before the Public Issue	(B)	0.08
Pro forma NA per Share as at 31 December 2025 after adjustments for drawdown of term loans, the Acquisitions, the Public Issue and the utilisation of proceeds	(C)	0.08
Increase in pro forma NA per Share attributable to existing shareholders	(C – B)	-
Dilution in pro forma NA per Share to our new public investors	(A – C)	0.04
Dilution in pro forma NA per Share as a percentage of our IPO Price	(A – C)/(A)	33.33%

Further details of our pro forma combined statements of financial position as at 31 December 2025 are set out in Section 13 of this Prospectus.

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

Name	No. of Shares received	Total consideration RM	Average effective cost per Share RM
Lau Hooi Pin	⁽¹⁾ 1	⁽¹⁾ 1	1
Trinity	⁽¹⁾ 1	⁽¹⁾ 1	1
Tan Kwang Wah	⁽²⁾ 312,977,999	⁽²⁾ 21,438,993	0.0685
Tan Khai Jeik	⁽³⁾ 22,146,000	⁽³⁾ 1,517,001	0.0685
Tan Khai Wen	⁽⁴⁾ 77,854,000	⁽⁴⁾ 5,332,999	0.0685
Sam Lai Yoong	⁽⁵⁾ 76,154,000	⁽⁵⁾ 5,216,549	0.0685
Tan Wei Hunn	⁽⁶⁾ 4,488,000	⁽⁶⁾ 307,428	0.0685
Tey Tai See	⁽⁷⁾ 3,190,000	⁽⁷⁾ 218,515	0.0685
Mat Isa Bin Kahar	⁽⁸⁾ 3,190,000	⁽⁸⁾ 218,515	0.0685

Notes:

- ⁽¹⁾ Comprises 1 subscriber share issued at RM1.00 per Share to Lau Hooi Pin, a third-party and the initial subscriber, which was subsequently transferred to Trinity on 19 August 2025 for a cash consideration of RM1.00 per Share.
- ⁽²⁾ Comprise 312,977,999 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Eckem, the Acquisition of Eckem JB, the Acquisition of Enrich Chemicals, the Acquisition of Entire Concept and the Acquisition of Novatex Product.
- ⁽³⁾ Comprise 22,146,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Eckem JB, the Acquisition of Enrich Chemicals and the Acquisition of Entire Concept.

4. DETAILS OF OUR IPO (Cont'd)

- (4) Comprise 77,854,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Eckem and the Acquisition of Novatex Product.
- (5) Comprise 76,154,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Eckem and the Acquisition of Eckem JB.
- (6) Comprise 4,488,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Enrich Chemicals.
- (7) Comprise 3,190,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Novatex Product.
- (8) Comprise 3,190,000 consideration shares issued at RM0.0685 per Share pursuant to the Acquisition of Novatex Product.

Save as disclosed above and the Pink Form Allocations to our Eligible Persons, there has been no acquisitions or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to the LPD.

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM15.00 million will accrue entirely to us and are planned to be utilised in the following manner:

Description of utilisation	Notes	RM'000	%	Estimated timeframe for utilisation from the Listing date
Construction of new corporate office, warehouse and laboratory	(i)	6,000	40.00	Within 36 months
Expansion of new production line for our rubber products	(ii)	2,000	13.33	Within 24 months
Repayment of bank borrowings	(iii)	1,450	9.67	Within 12 months
Working capital	(iv)	1,750	11.67	Within 24 months
Estimated listing expenses	(v)	3,800	25.33	Within 1 month
Total		15,000	100.00	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with licensed financial institutions.

4. DETAILS OF OUR IPO (Cont'd)**Notes:****(i) Construction of new corporate office, warehouse and laboratory**

We currently operate from our offices, warehouses and laboratory located at Property No. 3, Property No. 17 and Property No. 19 which collectively have a total built-up area of approximately 17,138 sq ft. Our employees currently occupied the available floor space and as our Group continues to expand, the existing premises will not be able to provide sufficient capacity for us to accommodate the growing workforce and the additional space required for product storage to support the increasing demands of our business.

Our Group currently owns 2 adjoining parcels of land at Lot 93505 and Lot 93506 with a combined total land area of 102,860 sq ft. We intend to construct our new corporate office, warehouse and laboratory on these 2 parcels of land at Lot 93505 and Lot 93506.

In conjunction with our business growth plans to scale up our operations to cater to the rising demand for our specialty industrial chemical products, personal care, automotive coatings and care and lifestyle products, we recognise the need for additional facilities comprising a warehouse and laboratory. Given that a significant portion of our customer base is concentrated in the central region of Peninsular Malaysia, particularly in Kuala Lumpur and Selangor, we plan to construct a new corporate office and warehouse.

The new corporate office and warehouse will not only support our expansion by providing the necessary space for our increasing workforce but also enhance our operational efficiency in serving our customers in the central region of Peninsular Malaysia. The planned construction of our new corporate office and warehouse will enable us to centralise our business operations, as well as improve customer service, ultimately allowing us to meet growing demand more effectively. Moreover, the new office and warehouse will help strengthen our market presence and support our long-term growth objectives. We will also set up a laboratory in our new corporate office and warehouse where we will store samples of the specialty industrial chemical products that we distribute as well as customise specialised industrial chemical solutions to meet the requirements and applications of our customers and market demands. We will be able to produce small batches of samples and perform tests to assess the performance and characteristics of the sample batches.

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4. DETAILS OF OUR IPO (Cont'd)

An illustration of the new corporate office, warehouse and laboratory is below:



Artist impression of our new corporate office, warehouse and laboratory

The new corporate office, warehouse and laboratory will have an estimated built-up area of approximately 22,238 sq ft, 51,034 sq ft and 1,500 sq ft, respectively. The new corporate office, warehouse and laboratory is significantly larger than our current operational facilities, due to the larger space allocation for warehousing capacity in our new corporate office. This will enable us to gradually scale up our business as we intend to grow our customer base, increase our sales of specialty industrial chemical products and increase our inventory levels of high demand and widely used specialty industrial chemical products to maintain prompt and continuous supply to our customers.

We intend to utilise RM6.00 million or 40.00% of the proceeds from our Public Issue for construction of new corporate office, warehouse and laboratory. The total construction cost of our new corporate office, warehouse and laboratory is estimated at RM12.41 million, of which the balance of RM6.41 million of the total construction cost will be funded via bank borrowings to be drawn. On 30 August 2023, our Group secured funding of RM11.14 million from Alliance Islamic Bank Berhad but we have yet to draw down from this facility as at the LPD. The excess of RM4.73 million from the funding secured from Alliance Islamic Bank Berhad upon deducting the RM6.41 million required for construction cost will be used for working capital purposes.

We have not allocated any proceeds from our Public Issue for the purchase of equipment for the laboratory as we will be able to continue using our existing equipment. We have allocated RM1.00 million of the proceeds from our Public Issue for the expansion of our workforce under our working capital to recruit additional 10 employees for business development, sales and marketing, purchasing as well as human resources and administration departments to support the growth of our existing business operations and the expected growth in our business. Further, we intend to allocate RM0.18 million from our internal generated funds for the recruitment and salaries of 3 additional employees for warehouse and 1 additional chemist for QC specifically for the operations of our new warehouse and laboratory over a period of 12 months.

4. DETAILS OF OUR IPO (Cont'd)

The breakdown of the total construction cost of our new corporate office, warehouse and laboratory based on the quotation obtained by our management is as follows:

Details	Estimated cost RM'000
Construction of new corporate office, warehouse and laboratory comprising:	10,411
- Civil and structural works	8,442
- Mechanical and electrical works	655
- Refuse chamber	14
- Sprinkler system	1,300
Earthworks and pilling works	2,000
Total	12,411

The indicative timeline for the construction of our new corporate office, warehouse and laboratory are as follows:

Estimated timeframe	Milestones
T	Submission of building plans to local council for construction of new corporate office, warehouse and laboratory
T + 9 months	Obtain the approvals and permission from local council for construction of new corporate office, warehouse and laboratory
T + 12 months	Commencement of construction of new corporate office, warehouse and laboratory
T + 24 months	- Completion of new corporate office, warehouse and laboratory - Submission of CCC applications, relevant licenses and other certificates for new corporate office, warehouse and laboratory, which includes, amongst others, the following: - Application to the local authority for business premise and advertisement licenses; and - Application to the MOH for a license to import, store and sell by wholesale of poisons.
T + 30 months	Obtain the CCC, relevant licenses and other certificates for new corporate office, warehouse and laboratory
T + 33 months	Furnishing and installation of warehouse equipment
T + 36 months	Commence operations

4. DETAILS OF OUR IPO (Cont'd)**Note:**

T – Listing date

Upon completion of the new corporate office, warehouse and laboratory, we intend to:

- (a) centralise our warehouse and operations to improve the overall efficiency of our supply chain and operational processes, by relocating Property No. 3, Property No. 17 and Property No. 19 to the new corporate office, warehouse and laboratory;
- (b) rent out Property No. 3 and Property No. 19 to generate passive income from non-core assets; and
- (c) discontinue the rental of Property No. 17 upon the expiry of tenancy.

(ii) Expansion of new production line for our rubber products

Presently, our subsidiary, Novatex Product manufactures rubber products at Property No. 13 where we have 1 production line installed with a total annual production capacity of 134 MT. The utilisation rate of this manufacturing facility was 71.23% in FYE 2025. As we plan to grow our manufacturing and trading of rubber products segment and anticipates a higher utilisation rate of our manufacturing facility, hence we intend to increase our production capacity by adding a new production line.

We intend to utilise RM2.00 million or 13.33% of the proceeds from our Public Issue for the expansion of new production line for our rubber products. We intend to rent an additional factory unit in Rawang with an estimated built-up area of approximately 9,500 sq ft as production area and storage for rubber products and office. We intend to install the new production line for rubber products at this new factory unit in Rawang.

Our Group will maintain a separate premise for the manufacturing of rubber products away from our new corporate office for ease of monitoring Novatex Product operations which are located in the same vicinity, and to prevent any potential cross contamination that may affect the manufacturing of our rubber products.

The breakdown of the estimated cost for the expansion is as follows:

Details	Estimated cost RM'000
Installation of new production line ⁽¹⁾	800
Factory rental ⁽²⁾	300
Staff salaries and recruitment costs ⁽³⁾	900
Total	2,000

Notes:

- ⁽¹⁾ Comprising 1 new production line for the manufacturing of rubber products, whereby the estimated cost was based on the quotation obtained and our

4. DETAILS OF OUR IPO (Cont'd)

management's previous experience in setting up Novatex Product's existing production line.

- (2) Comprising 12 months rental and 3 months deposit, whereby the estimated rental was based on the market rate of similar size of factory from the publicly available sources.
- (3) We intend to recruit the 4 supervisors and 16 general workers to operate the new production line. The salaries for the 20 employees for a period of 12 months are estimated to be approximately RM900,000.

Any shortfall in financing the above-mentioned costs required for the expansion will be funded via our Group's internally generated funds.

As at the LPD, our total annual production capacity stands at 134 MT. With the expansion of this new production line, our combined annual production capacity will increase to 268 MT.

This expansion will not only allow us to increase production output to meet the growing demand for our rubber products, but will also enhance our operational efficiency and flexibility by enabling us to manufacture different types or specifications of rubber products concurrently without the need for frequent production line changeovers or reconfiguration of production settings. This flexibility will improve our production planning and allow us to respond more efficiently to customer requirements and market demand, while maintaining stable operations and delivery timelines.

The indicative timeline for the expansion is as follows:

Estimated timeframe	Milestones
T + 12 months	• Enter into rental agreement • Submission of building plan to local council for building renovation
T + 15 months	• Obtain the approval and permission from local council for building renovation • Commencement of building renovation
T + 18 months	• Completion of building renovation • Application to the local authority for business premise and advertisement licenses • Application to DOSH for installation of machinery and equipment • Application to the authorities for the necessary approvals and/or licenses for the operation of the new production line, which includes, among others, the following: • Application to the Malaysian Rubber Board ("MRB") for a license to buy and store rubber for the manufacture of rubber products; • Application to the MIDA for a manufacturing license or exemption of

4. DETAILS OF OUR IPO (Cont'd)

<u>Estimated timeframe</u>	<u>Milestones</u>
	- manufacturing license, whichever is applicable; and - Application to the MDA for an establishment license and/or medical device registration certificates, if required.
T + 23 months	- Approval from local authority and DOSH - Installation of machinery and equipment - Obtain the approvals and/or licenses from the relevant authorities for the operation of the new production line
T + 24 months	Commence operations

Note:

T – Listing date

(iii) Repayment of bank borrowings

As at the LPD, our total bank borrowings owing to financial institutions amounted to approximately RM39.29 million. We intend to allocate RM1.45 million or 9.67% of the total proceeds from our Public Issue to repay our borrowings as follows:

<u>Financial institution/ Type of banking facility</u>	<u>Purpose</u>	<u>Interest rate per annum</u>	<u>Maturity date</u>	<u>Outstanding amount as at the LPD RM'000</u>	<u>Proposed repayment amount RM'000</u>
Public Bank Berhad/Term loan	To finance Property No. 3	BLR – 2.30%	May 2033	656	450
Public Bank Berhad/Term loan	For working capital	BLR – 2.30%	October 2034	1,071	1,000
Total				1,727	1,450

Note:

(1) As at the LPD, the BLR is 6.47% per annum.

The borrowings above bear higher interest rates compared to our other borrowings and will not result in any penalty or early repayment cost upon early settlement. As such, our Group has decided to prioritise repayment of the abovementioned borrowings from the proceeds of our Public Issue.

The repayment of the above-mentioned borrowings is expected to result in a total annual interest savings of approximately RM0.07 million based on the prevailing interest rates per annum for the banking facility mentioned above. However, the actual interest savings may vary depending on the applicable interest rate at the time of repayment. Further, the repayment of the above-mentioned borrowings will not result in any penalty or early repayment cost being incurred by our Group. The

4. DETAILS OF OUR IPO (Cont'd)

repayment of these borrowings is expected to lower our gearing ratio from 0.98 times in the FYE 2025 to 0.76 times after the adjustments for drawdown of term loans, Acquisitions, Public Issue and utilisation of proceeds. Please refer to Section 13 of this Prospectus for our pro forma combined statements of financial position as at 31 December 2025 for further details.

(iv) Working capital

We intend to allocate RM1.75 million or 11.67% of the total proceeds from our Public Issue for working capital to support the growth of our business operations. This will be used to strengthen our liquidity position and ensure the smooth operation of day-to-day activities across our business.

The breakdown of the allocation for our working capital from the Public Issue is as follows:

Description	RM'000
Purchase of inventory:	750
- Additives	400
- Resin	300
- Pigments	50
Expansion of workforce ⁽¹⁾	1,000
Total	1,750

Note:

- ⁽¹⁾ We intend to recruit additional 10 employees for business development, sales and marketing, purchasing as well as human resources and administration departments to support the growth of our existing business operations and the expected growth in our business. The employees' costs are for a period of 12 months beginning from the date of employment of the respective employee. The estimated employees' costs mainly consist of salaries, medical expenses, staff benefits and other related expenses.

(v) Estimated listing expenses

An amount of RM3.80 million or 25.33% of the total proceeds from our Public Issue will be allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,970
Underwriting, placement and brokerage fees	567
Fees to authorities	70
Printing, advertising fees and contingencies ⁽²⁾	193
Total	3,800

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, solicitors, reporting accountants, IMR, internal control reviewer, company secretary, Issuing House and Share Registrar.
- (2) Other incidental or related expenses in connection with our IPO.

Any variations from the amounts budgeted for (i), (ii), (iii) and (v) above, shall be adjusted towards or against, as the case may be, the proceeds allocated for working capital requirements. Pending the receipt of proceeds from our Public Issue, we may proceed with our plans as set out in (i), (ii), (iii), (iv) and (v) above by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue are received, we will use the proceeds allocated to replenish our internally generated funds.

Where applicable and required under Rule 8.24 of the Listing Requirements, our Group will seek shareholders' approval for any material variation to the utilisation of proceeds raised from our Listing.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM7.50 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.19 million.

4.10 UNDERWRITING, PLACEMENT AND BROKERAGE

4.10.1 Underwriting arrangement and commission

Our Underwriter has agreed to underwrite 62,500,000 Issue Shares made available for application by the Malaysian Public via balloting process and Eligible Persons under the Pink Form Allocations. The balance of 15,625,000 Issue Shares and 62,500,000 Offer Shares reserved for private placement to Bumiputera investors approved by MITI, together with 46,875,000 Issue Shares reserved for selected investors, shall be placed out by our Placement Agent and will not be underwritten.

We will pay our Underwriter an underwriting commission of 2.50% of our IPO Price multiplied by the number of Shares underwritten.

4.10.2 Placement arrangement and fees

Our Placement Agent will place out a total of 15,625,000 Issue Shares and 62,500,000 Offer Shares to Bumiputera investors approved by MITI as well as 46,875,000 Issue Shares to selected investors.

We will pay our Placement Agent a placement fee of 2.50% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The Selling Shareholders will pay the placement fee of 2.50% of the value of those Offer Shares placed out to the Bumiputera investors approved by MITI through our Placement Agent.

4. DETAILS OF OUR IPO (Cont'd)

4.10.3 Brokerage fees

Brokerage fees are payable in respect of the Issue Shares at the rate of 1.00% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M & A Securities, to underwrite 62,500,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.10.1 of this Prospectus above.

The salient terms in the Underwriting Agreement are as follows:

4.11.1 Conditions precedent for Underwriting

Unless waived by our Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of our Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:-

- (a) the approval for our Listing from Bursa Securities remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by our Company prior to our Listing, have been complied by our Company;
- (b) the receipt by our Underwriter of all relevant documentation and placement monies in respect of the private placements of Issue Shares to Bumiputera investors approved by the MITI and selected investors, as well as private placement of Offer Shares to Bumiputera investors approved by the MITI;
- (c) all other necessary approvals and consents required in relation to the Public Issue and the Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
- (d) the issue of the Issue Shares having been approved by the shareholders of our Company;
- (e) the issue and subscription of the Issue Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (f) the Prospectus having been registered with Bursa Securities and lodged with the ROC of the Companies Commission of Malaysia together with all the required documents in accordance with the Listing Requirements, CMSA, the Act and the relevant laws and regulations;
- (g) there having been, on or prior to the last date and time for the receipt of applications and payment for the Issue Shares in accordance with the Prospectus or any such date as may be extended from time to time which our Company and our Underwriter may mutually agree upon ("**Closing Date**"), no material breach of any representation, warranty, covenant, undertaking or obligation of our Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided

4. DETAILS OF OUR IPO (Cont'd)

under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;

- (h) there having been, on or prior to the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of our Group or in the prospects or future financial condition or business or operations of our Group (which will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of our Company contained in the Underwriting Agreement;
- (i) our Underwriter receiving a copy certified by a director or company secretary of our Company to be a true resolution of our Board approving our Listing, the Prospectus (including a confirmation that our Board, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus) and the Underwriting Agreement, the issue and offer of the Issue Shares and authorising a person or persons to sign the Underwriting Agreement on behalf of our Company; and
- (j) our Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the cost and expenses referred to in Clause 16 (Costs and Expenses) of the Underwriting Agreement.

4.11.2 Termination or force majeure

- (a) Notwithstanding anything contained in the Underwriting Agreement, our Underwriter may by notice in writing to our Company given at any time before the date of our Listing, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:-
 - (i) the approval of Bursa Securities for our Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to our Underwriter;
 - (ii) there is any material breach by our Company of any of the representations, warranties, covenants or undertakings contained in Clause 4 (Representations and Warranties by the Company) and Clause 5 (Covenants and Undertakings by the Company) of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to our Company;
 - (iii) there is a material failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement;
 - (iv) there is withholding of information of a material nature from our Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue or our Listing, or the distribution or sale of the Issue Shares;
 - (v) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Group;

4. DETAILS OF OUR IPO (*Cont'd*)

- (vi) our Listing does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be agreed by our Underwriter;
- (vii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Public Issue, or the distribution or sale of the Issue Shares;
- (viii) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

- i. on or after the date of the Underwriting Agreement; and
- ii. prior to the allotment of the Issue Shares,

lower than 90.00% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or

- (ix) there shall have occurred, or happened any of the following circumstances:
 - i. any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - ii. any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of our Group as a whole or the success of the Public Issue or our Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

- (b) In the event that the Underwriting Agreement is terminated by our Underwriter pursuant to Section 4.11.2(a) above, our Underwriter and our Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither our Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.

4. DETAILS OF OUR IPO (Cont'd)

- (c) Upon any such notice(s) being given pursuant to Section 4.11.2(a) above, our Underwriter shall be released and discharged from their obligations under the Underwriting Agreement whereupon the following shall take place within 3 Market Days of the receipt of such notice:-
- (i) our Company shall make payment of underwriting commission to our Underwriter in accordance with Clause 11.2 (Underwriter's Commission Payable on Termination) of the Underwriting Agreement;
 - (ii) our Company shall pay or reimburse to our Underwriter the costs and expenses referred to in Clause 16 (Costs and Expenses) of the Underwriting Agreement; and
 - (iii) each party shall return all other monies (in the case of our Underwriter, after deducting the underwriting commission due and owing to our Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other party under the Underwriting Agreement (except for monies paid by our Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, 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.

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 will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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

5.1 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and/or substantial shareholders' shareholdings

The shareholdings of our Promoters and/or substantial shareholders in our Company before and after our IPO are set out below:

Name	Nationality/ Country of incorporation	⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Trinity	Malaysia	⁽³⁾ 1	*	-	-	426,632,000	68.26	-	-
Tan Kwang Wah	Malaysian	312,977,999	62.60	⁽⁴⁾ 176,154,001	35.23	-	-	⁽⁵⁾ 426,632,000	68.26
Tan Khai Jeik	Malaysian	22,146,000	4.43	-	-	-	-	-	-
Tan Khai Wen	Malaysian	77,854,000	15.57	-	-	-	-	-	-
Sam Lai Yoong	Malaysian	76,154,000	15.23	-	-	-	-	-	-

Notes:

* Less than 0.01%.

⁽¹⁾ Based on the total number of 500,000,000 Shares after the Acquisitions but before our IPO.

⁽²⁾ Based on the enlarged total number of 625,000,000 Shares after our IPO.

⁽³⁾ Comprises 1 subscriber share issued at RM1.00 per Share to Lau Hooi Pin, a third-party and the initial subscriber, which was subsequently transferred to Trinity on 19 August 2025 for a cash consideration of RM1.00 per Share.

⁽⁴⁾ Deemed interest by virtue of his interest held in Trinity, and his spouse, Sam Lai Yoong's, as well as his sons, Tan Khai Jeik's and Tan Khai Wen's, interest held in the Company pursuant to Section 8 and Section 59(11)(c) of the Act.

⁽⁵⁾ Deemed interest by virtue of his interest held in Trinity pursuant to Section 8 of the Act.

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

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

5.1.2 Profiles of Promoters and/or substantial shareholders

The profile of our Promoters and/or substantial shareholders are set out below:

(a) Trinity

Promoter, Specified Shareholder and substantial shareholder

Trinity was incorporated in Malaysia on 15 January 2024 under the Act as a private limited company. The principal activity of Trinity is investment holding. As at the LPD, the issued capital of Trinity is RM10,000 comprising 10,000 ordinary shares. As at the LPD, the directors and shareholders and their respective shareholdings in Trinity are as follows:

Directors and shareholders	Nationality	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
Tan Kwang Wah	Malaysian	6,823	68.23	⁽¹⁾ 3,177	31.77
Tan Khai Jeik	Malaysian	226	2.26	-	-
Tan Khai Wen	Malaysian	1,532	15.32	-	-
Sam Lai Yoong	Malaysian	1,419	14.19	-	-

Note:

⁽¹⁾ Deemed interest by virtue of his spouse, Sam Lai Yoong's, and his sons, Tan Khai Jeik's and Tan Khai Wen's interest held in Trinity pursuant to Section 8 of the Act.

(b) Tan Kwang Wah

Promoter, Specified Shareholder, substantial shareholder and Managing Director

Tan Kwang Wah, a Malaysian male, aged 61, is our Promoter, Specified Shareholder, substantial shareholder and Managing Director. He was appointed to our Board on 19 March 2025. As our Group's Managing Director, he is responsible for our Group's overall strategy and business direction as well as overseeing our Group's strategic planning and business growth. He has over 34 years of experience in the industrial chemicals industry.

He completed his Form 6 studies and obtained the Malaysian Higher School Certificate at Sekolah Menengah Kebangsaan Gajah Berang, Melaka in 1985. Upon completing his studies, he assisted his family in the plantation business before beginning his career in Nestle Products Sdn Bhd (formerly known as Nutritional Products Sdn Bhd), a wholly-owned subsidiary of Nestle (Malaysia) Berhad which is listed on Main Market of Bursa Securities, a company involved in marketing and the sale, both locally and for export, of food and beverages products, in September 1987 as a Sales Representative. During his tenure there, he was responsible for developing and maintaining relationships with customers as well as conducting customer needs assessments to identify new sales opportunities until he left in December 1991.

In January 1992, he joined Revertex (Malaysia) Sdn Bhd, a subsidiary of Synthomer PLC (formerly known as Yule Catto & Co) which is listed on Main Market of the London Stock Exchange, a company involved in manufacturing, trading and sales of synthetic

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

resin emulsion and alkyd resins, as a Sales Executive and was promoted to Assistant Sales Manager before he left in December 2004, where he was responsible for overseeing the sales of chemical emulsion products to clients and playing a role in the recruitment and training of the sales team.

During his tenure with Revertex (Malaysia) Sdn Bhd, he pursued a part-time college education and successfully graduated with a Certificate in Marketing (Part II) from Stamford Group of Colleges, Malaysia in August 1992, followed by a Graduate Diploma in Marketing from the Chartered Institute of Marketing in June 1995.

Upon leaving Revertex (Malaysia) Sdn Bhd in December 2004, he joined Entire Concept in February 2005 as the director, overseeing the company's daily operations, a position he continues to hold to-date. In April 2007 and September 2007, he co-founded Eckem and Eckem JB, respectively, with his family, marking the inception of our Group. In February 2009, he and his family acquired Entire Concept from the existing shareholders, which enabled our Group to expand our product range to the distribution of polymer-based specialty industrial chemical products, and market these new products to our existing customers as well as target new customer segments for our distribution, sales and application formulation of specialty industrial chemical products business. He subsequently co-founded Eckem Singapore and Enrich Chemicals in August 2015 and November 2022, respectively and continued to spearhead our Group's business which has enabled our Group to penetrate into the Singapore market, expanding our product portfolio as well as strengthening our market presence in the southern region of Peninsular Malaysia. In March 2022, he co-founded Novatex Product with Tan Khai Wen and Tey Tai See (a third-party), to diversify our Group's business into the manufacturing and trading of rubber products.

He is the spouse of our Promoter, Sam Lai Yoong, and the father of our Executive Director, Tan Khai Jeik, and our Chief Operating Officer, Tan Khai Wen.

Further details of his involvements in other business activities outside our Group in the past 5 years up to the LPD are set out in Section 5.2.2 (b) of this Prospectus.

(c) Tan Khai Jeik

Promoter, Specified Shareholder and Executive Director

Tan Khai Jeik, a Malaysian male, aged 32, is our Promoter, Specified Shareholder and Executive Director. He was appointed to our Board on 19 March 2025. As our Group's Executive Director, he is responsible for formulating our Group's business and marketing plans, overseeing the implementation of our Group's business development strategies as well as purchasing activities.

He graduated with a Bachelor of Business and Commerce from the Monash University Malaysia, in April 2017.

He began his career in January 2017 as a Sales Executive in Entire Concept and was responsible for maintaining relationships with existing customers as well as expanding the company's customer base. In January 2020, he was promoted to Business Development Manager where he was responsible for managing the key customer portfolios, managing and securing brands principals as well as managing sales across central and southern regions of Peninsular Malaysia.

Since 2020, he has been an Associate Executive Committee Member of the Malaysian Paint and Coating Manufacturers' Association, a non-profit organisation that represents the broad interest of the paint manufacturing industry where he

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

contributed to promote and safeguard the interests of industry manufacturers, facilitating the collection and dissemination of industry-related statistics and information, and supporting the publication of materials relevant to the development of the paints and coatings sector.

In November 2022, he co-founded Enrich Chemicals with Tan Kwang Wah and Tan Wei Hunn (a third-party), expanding our product portfolio to include the distribution of chemicals used in the production of wood and timber chemical protection products as well as specialty industrial chemical products under Eckem's portfolio targeting the furniture industry in Muar, Johor and the southern region of Peninsular Malaysia.

He is the son of our Managing Director, Tan Kwang Wah and our Promoter, Sam Lai Yoong, as well as the brother of our Chief Operating Officer, Tan Khai Wen.

Further details of his involvement in other business activity outside our Group in the past 5 years up to the LPD are set out in Section 5.2.2 (c) of this Prospectus.

(d) Tan Khai Wen

Promoter, Specified Shareholder and Chief Operating Officer

Tan Khai Wen, a Malaysian male, aged 30, is our Promoter, Specified Shareholder and Chief Operating Officer. He is responsible for overseeing and managing the day-to-day operations of our Group relating to warehousing, production and QC.

He graduated with a Bachelor of Business and Commerce, majoring in Accountancy and in Banking and Financial Management from the Monash University Malaysia in April 2019.

He began his career in April 2019 at Modalku Ventures Sdn Bhd, a company principally engaged in financial consultancy services, as a Customer Experience Executive, handling customer feedback and concerns and working to improve customer satisfaction. In July 2019, he left Modalku Ventures Sdn Bhd and joined Deloitte Consulting (SEA) Sdn Bhd as an intern, where he assisted the consulting team in the implementation of various consulting projects.

He left Deloitte Consulting (SEA) Sdn Bhd in October 2019 and joined Eckem in November 2019 as a Sales and Marketing Executive. In this role, he was responsible for expanding the customer base and implementing cost-saving measures, and introducing a new range of products to our existing and potential customers. In March 2021, he was transferred to Entire Concept, where he continued to serve under the same title and responsibilities.

In March 2022, he co-founded Novatex Product with Tan Kwang Wah and Tey Tai See (a third-party) to diversify our Group's business into the manufacturing and trading of rubber products. In January 2023, he was promoted to Business Development Manager at Entire Concept, where he was responsible for leading the sales and marketing team to achieve their sales targets and conducting training for newly recruited sales personnels. In January 2024, he assumed his current role as Chief Operating Officer.

He is the son of our Managing Director, Tan Kwang Wah and our Promoter, Sam Lai Yoong, as well as the brother of our Executive Director, Tan Khai Jeik.

Further details of his involvement in other business activity outside our Group in the past 5 years up to the LPD are set out in Section 5.3.2 (a) of this Prospectus.

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

(e) Sam Lai Yoong

Promoter and Specified Shareholder

Sam Lai Yoong, a Malaysian female, aged 60, is our Promoter and Specified Shareholder.

She completed her secondary education at Sekolah Menengah Kebangsaan Dato Ahmad, Perak in 1986.

Following the completion of her secondary education in 1986, Sam Lai Yoong began taking on different short-term roles, including cashier and general administrative and operational support roles in different companies. Between 1986 and 1988, she gained early exposure to the working environment before commencing full-time employment which helped build her foundational understanding of business functions and workplace dynamics.

In April 1988, she joined Heineken Malaysia Berhad (formerly known as Guinness Anchor Berhad), a company listed on the Main Market of Bursa Securities, as a Clerk. Over her 36-year tenure with the company, she held various roles and was eventually promoted to Procurement Executive in the finance department where she was responsible for sourcing and purchasing commercial goods and services, vendor negotiation, procurement planning, and ensuring cost efficiency in the supply chain until she resigned from Heineken Malaysia Berhad in July 2024.

She is currently the director of Eckem, Eckem JB and Eckem Singapore since their respective incorporations in April 2007, September 2007 and August 2015. She continues to hold these positions to date, however she is not involved in the day-to-day operations of any of the companies.

Presently she holds directorship and shareholdings in Trinity. She is the spouse of our Managing Director, Tan Kwang Wah, and the mother of our Executive Director, Tan Khai Jeik, and our Chief Operating Officer, Tan Khai Wen.

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

5.1.3 Changes in Promoters' and/or substantial shareholders' shareholdings

The changes in our Promoters and/or substantial shareholders' respective shareholdings in our Company since our incorporation and up to completion of the IPO are as follows:

Name	As at incorporation				⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lau Hooi Pin	1	100.00	-	-	⁽³⁾ -	-	-	-	-	-	-	-
Trinity	-	-	-	-	⁽³⁾ 1	*	-	-	426,632,000	68.26	-	-
Tan Kwang Wah	-	-	-	-	312,977,999	62.60	⁽⁴⁾ 176,154,001	35.23	-	-	⁽⁵⁾ 426,632,000	68.26
Tan Khai Jeik	-	-	-	-	22,146,000	4.43	-	-	-	-	-	-
Tan Khai Wen	-	-	-	-	77,854,000	15.57	-	-	-	-	-	-
Sam Lai Yoong	-	-	-	-	76,154,000	15.23	-	-	-	-	-	-

Notes:

* Less than 0.01%.

⁽¹⁾ Based on the total number of 500,000,000 Shares after the Acquisitions but before our IPO.

⁽²⁾ Based on the enlarged total number of 625,000,000 Shares after our IPO.

⁽³⁾ Comprises 1 subscriber share issued at RM1.00 per Share to Lau Hooi Pin, a third-party and the initial subscriber, which was subsequently transferred to Trinity on 19 August 2025 for a cash consideration of RM1.00 per Share.

⁽⁴⁾ Deemed interest by virtue of his interest held in Trinity, and his spouse, Sam Lai Yoong's, as well as his sons, Tan Khai Jeik's and Tan Khai Wen's, interest held in the Company pursuant to Section 8 and Section 59(11)(c) of the Act.

⁽⁵⁾ Deemed interest by virtue of his interest held in Trinity pursuant to Section 8 of the Act.

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

5.1.4 Persons exercising control over the corporation

Save for our Promoters and/or substantial shareholders as set out in Section 5.1.1 of this Prospectus, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement of which may, at a subsequent date, result in a change in control of our Company.

5.1.5 Benefits paid or intended to be paid

Save as disclosed below, there is no amount and benefit that has been or is intended to be paid or given to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

Promoters and/or substantial shareholders	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	⁽¹⁾ Other emoluments RM'000	Benefits-in- kind RM'000	Dividend RM'000	Total RM'000
FYE 2024							
Trinity	-	-	-	-	-	-	-
Tan Kwang Wah	-	300	-	37	18	⁽²⁾ 1,160	1,515
Tan Khai Jeik	-	108	21	17	9	⁽²⁾ 90	245
Tan Khai Wen	-	98	17	15	5	⁽²⁾ 280	415
Sam Lai Yoong	-	-	-	-	-	⁽²⁾ 260	260
FYE 2025							
Trinity	-	-	-	-	-	-	-
Tan Kwang Wah	-	300	22	40	9	⁽³⁾ 20	391
Tan Khai Jeik	-	108	13	16	9	⁽³⁾ 10	156
Tan Khai Wen	-	98	12	15	4	-	129
Sam Lai Yoong	-	-	-	-	-	-	-

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

Promoters and/or substantial shareholders	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	⁽¹⁾ Other emoluments RM'000	Benefits-in-kind RM'000	Dividend RM'000	Total RM'000
FYE 2026 (Proposed)							
Trinity	-	-	-	-	-	-	-
Tan Kwang Wah	-	390	-	47	9	-	446
Tan Khai Jeik	-	136	-	18	9	-	163
Tan Khai Wen	-	126	-	17	4	-	127
Sam Lai Yoong	-	-	-	-	-	-	-

Notes:

- (1) Other emoluments include EPF, SOCSO and EIS.
- (2) Dividend declared by Eckem, Entire Concept, Enrich Chemicals and Novatex Product in respect of FYE 2024 which were paid to our Promoters and/or substantial shareholder during FYE 2024.
- (3) Dividend declared by Enrich Chemicals in respect of FYE 2024 which were paid to Tan Kwang Wah and Tan Khai Jeik (who are the existing shareholders of Enrich Chemicals) on 20 January 2025.

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

5.2 DIRECTORS

5.2.1 Profiles of Directors

Save for the profiles of Tan Kwang Wah, being our Managing Director and Tan Kai Jeik, being our Executive Director, which have been set out in Sections 5.1.2 (b) and 5.1.2 (c) of this Prospectus, respectively, the profiles of our other Independent Non-Executive Directors are set out below:

(a) **Ng Moh Mang**

Independent Non-Executive Chairman

Ng Moh Mang, a Malaysian male, aged 61, is our Independent Non-Executive Chairman. He was appointed to our Board on 15 July 2025.

He graduated from the Universiti Malaya, Malaysia, with a Bachelor of Science, majoring in Chemistry, in September 1989.

He began his career in May 1989 at Nippon Paint (Malaysia) Sdn Bhd as a chemist, where he was involved in product formulation, QC, and laboratory testing for decorative and industrial paint products, until his resignation in May 1990.

In June 1990, he joined BASF (Malaysia) Sdn Bhd, a company involves in the production, promotion, marketing, sales, distribution, technical support, and product development of BASF products, including chemicals, plastics and fibres, performance products, and agricultural solutions, as a Sales Executive in the Specialty Chemicals, Colorants and Dispersions division. He was promoted to Product Manager in January 1995 and subsequently to Marketing Manager in July 1996 within the same division, where he was responsible for sales, marketing, and customer relationship management for BASF's polymer dispersion products.

In January 2000, he was laterally transferred to Specialty Chemicals division of BASF (Malaysia) Sdn Bhd as Marketing Manager, assuming overall responsibility for the division's operations in Malaysia, Singapore and Vietnam. In this role, he oversaw business development and management activities across these three countries.

In January 2003, he was promoted to Manager, Asia Pacific, Product Management in the Polymers and Surfactants, Special Chemicals division and relocated to Singapore to join BASF South East Asia Pte Ltd (formerly known as BASF South East Asia Regional Headquarters Ltd). He spearheaded the development and launch of new products and was responsible for formulating and executing market expansion strategies.

In August 2005, he was transferred and relocated to Hong Kong to join BASF East Asia Regional Headquarters Ltd as Manager, Asia Pacific, Regional Business Management in the Detergents and Formulators division. He was accountable for the overall profitability of the business unit, including strategic planning, investment project management, and handling special mergers and acquisitions.

In April 2007, he was promoted to Senior Manager, Asia Pacific, where he was responsible for managing staff and executing BASF Group's strategic direction across the Asia Pacific Region. In January 2010, he was promoted to Director of Regional Business Management, Home Care, Personal Care and Industrial Formulators, Care Chemicals Asia Pacific division, where he developed strategies to ensure continued profitability and growth.

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

In April 2011, he assumed the role of Director of Regional Business Management, Formulation Technologies, Care Chemicals Asia Pacific division, where he was responsible for long-term strategy development and special projects to support market expansion. In July 2012, he was appointed as the Director of Projects and Strategy, Care Chemicals Asia Pacific division, assuming similar responsibilities.

From February 2013 until his retirement in August 2022, he held various positions within the BASF SE group of companies. These included:

- Managing Director on the Management Board of BASF (Thai) Ltd, BASF (Myanmar) Co., Ltd, BASF Chemcat (Thailand) Ltd (a joint venture between BASF and N.E. Chemcat Corporation), BASF (Cambodia) Co., Ltd and BASF Vietnam Co., Ltd;
- Chairman of the Executive Board of BASF (Thai) Ltd and BASF Vietnam Co., Ltd; and
- Member of the Executive Board of BASF (Myanmar) Co., Ltd, BASF Chemcat (Thailand) Ltd, BASF (Cambodia) Co., Ltd and Thai Ethoxylate Co., Ltd (a joint venture between BASF (Thai) Ltd and Global Green Chemicals Public Company Limited).

Further details of his involvement in other business activities outside our Group in the past 5 years up to the LPD are set out in Section 5.2.2 (a) of this Prospectus.

(b) How Dai Koan

Independent Non-Executive Director

How Dai Koan, a Malaysian female, aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 15 July 2025.

She graduated from the Charles Sturt University, Australia, with a Bachelor of Business (Accounting/Business Japanese) in April 1996. She was admitted as a Certified Practising Accountant (CPA) by CPA Australia in May 2002 and has been a member of Malaysian Institute of Accountants (MIA) since September 2002.

Following her graduation in April 1996, she spent several months preparing for her transition into the workforce, during which she refined her accounting skills and actively explored career opportunities. In September 1996, she began her career as an Account Executive at Tenaga Insurance Bhd, where she was responsible for preparing account reconciliation statements and contributing to the development of an accounting operations procedure manual to enhance departmental efficiency and reduce uncertainties. She also assisted in formalising the Finance and Accounts Department's standard operating procedures. She left Tenaga Insurance Bhd in August 1998 and subsequently took a career break.

In November 1998, she joined Audit Department of Ernst & Young, Kuala Lumpur, as an Audit Assistant, where she conducted audits of public listed companies and compiled audit profiles. In September 2003, she was promoted to Manager in Corporate Finance Department, specialising in financial due diligence. In this role, she conducted verification meetings, assessed financial viability, identified potential risks, and prepared due diligence and valuation reports incorporating insights from the tax division, for presentation to clients prior to transaction execution.

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

In October 2012, she was promoted to Director in the Transaction Advisory Services division, where she provided corporate finance advice to public-listed and privately held companies. She also conducted valuation exercises on privately held companies.

In October 2014, she left Ernst & Young, Kuala Lumpur and took a brief career break. She returned to the workforce in February 2015 by joining P.S. Kong & Co, an audit firm in Petaling Jaya, as a Senior Audit Manager. In this role, she was responsible for conducting year-end audits and special audit assignments, including the review of consolidated financial statements for private companies.

She obtained her practising certificate from MIA in August 2016 and was granted an audit license by the Accountant General in March 2017, certifying her as an Approved Company Auditor. In March 2017, she was promoted to Audit Partner, a position she holds to date. In this role, she expanded her scope of work to include advisory business services, business processes reviews, and financial due diligence reviews for corporate exercises. She is also responsible for analysing target companies' financial statements, identifying key financial trends, and providing profit forecasts and cash flow projections for clients across various industries, including manufacturing and trading.

How Dai Koan does not have any other directorships and/or principal business activities performed outside our Group in the past 5 years up to the LPD.

(c) Kok Kong Chin

Independent Non-Executive Director

Kok Kong Chin, a Malaysian male, aged 61, is our Independent Non-Executive Director. He was appointed to our Board on 15 July 2025.

He graduated from the Universiti Kebangsaan Malaysia with a Bachelor of Business Administration (Honours) in August 1989. He subsequently obtained a Master of Business Administration from the Schulich School of Business, York University, Canada in June 1993. In June 2011, he completed the Cambridge Advanced Leadership Programme conducted by the Cambridge Judge Business School, University of Cambridge, United Kingdom.

He began his career with Arab-Malaysian Securities Sdn Bhd, a previous wholly-owned subsidiary of AMMB Holdings Berhad, a company listed on the Main Market of Bursa Securities, as an Institutional Equity Dealer in December 1989, where he was involved in handling Malaysian and international institutional investors. He took a sabbatical leave in January 1992 to pursue his Master's degree and returned in June 1993 as the Manager of Institutional Business Department, where he played a vital role in identifying new business opportunities, managing key accounts, and ensuring the alignment of institutional strategies with overall company objectives until he left the company in April 1995. In May 1995, he joined Worldsec International Ltd, an investment bank based in Hong Kong and an affiliate of the Mitsubishi UFJ Financial Group, as the Managing Director and Country Head of Malaysia, where he oversaw market strategy, economic and equities research. He remained with the company until January 2002.

In February 2002, he joined CIMB Investment Bank Berhad, a wholly-owned subsidiary of CIMB Group Holdings Berhad, a company listed on the Main Market of Bursa Securities, as the Head of Equity Markets and Derivatives. During his tenure at CIMB group, he was promoted to several key positions in CIMB Group. In November 2006, he was promoted to Co-Head of Investment Banking, where he managed CIMB

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

group's investment banking activities. In June 2008, he assumed the role of Head of International Banking and Transaction Services, overseeing the group's international banking branches as well as the transaction services department. In January 2010, he was further promoted to Head of Regional Banking, where he led the regional corporate banking and regional transaction banking business of CIMB group. He left CIMB Group in March 2012 and was on garden leave.

In June 2012, he was appointed as an Independent Non-Executive Director in Ping Petroleum Ltd, a company involved in exploration, development and production of crude oil and natural gas and subsequently retired from the board in June 2015. In March 2014, he joined Tropicana Corporation Bhd, a company listed on the Main Market of Bursa Securities, as the Group Managing Director where he was responsible for overseeing the development projects in Northern and East Malaysia as well as the group's finance and treasury functions. In addition, he was also appointed as Directors in other related companies of Tropicana Corporation Berhad. In January 2016, he left Tropicana Corporation Berhad and its related companies.

In February 2016, he was appointed as Non-Independent Non-Executive Director of ENRA Group Berhad, a company listed on the Main Market of Bursa Securities, with subsidiaries involving in various business segments including property development and energy services. He was subsequently re-designated as Executive Director in August 2016 and also serve as directors in several of the group's subsidiaries, ensuring the group runs effectively and fulfils its strategic goals. On 30 April 2025, he was re-designated as Non-Independent Non-Executive Director, a position he holds to date. Currently, he also serves as the Independent Non-Executive Chairman of Pekat Group Berhad, a company listed on the ACE Market of Bursa Securities, operating through its subsidiaries across three distinct business segments: the solar division, the earthing and lightning protection division, and the trading division, a position he has held since September 2020.

Further details of his involvement in other business activities outside our Group in the past 5 years up to the LPD are set out in Section 5.2.2 (d) of this Prospectus.

(d) Nurizan Binti Jalil

Independent Non-Executive Director

Nurizan Binti Jalil, a Malaysian female, aged 52, is our Independent Non-Executive Director. She was appointed to our Board on 15 July 2025.

She graduated from the University of Huddersfield, United Kingdom with a Bachelor of Laws in September 1998 and completed her Certificate of Legal Practice in September 2000.

She began her career in February 2000 as a Mortgage Direct Sales Executive in Citibank Berhad, where she was responsible for promoting and marketing mortgage products to potential clients until she left Citibank Berhad in October 2001.

In November 2001, she joined MTrustee Berhad (formerly known as Arab-Malaysian Trustee Berhad) as a Trust Executive, where she was responsible for servicing, maintaining and administering trust portfolios. In April 2004, she was promoted to Assistant Manager, where she continued to manage trust portfolios with a particular focus on legal and compliance aspects.

In April 2006, she was promoted to Manager, Legal and Compliance, where she headed the legal & compliance units in MTrustee Berhad and reviewed legal

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

documents and ensured all trust instruments complied with relevant legal and regulatory requirements. In February 2008, her position was redesignated to Manager, Legal and Administration, with the same responsibilities. She was subsequently promoted to Senior Manager, Legal Administration in April 2008, where she oversaw legal affairs and ensured regulatory compliance across the company.

In May 2010, she was appointed as the Compliance Officer, assisting the head of department in promoting compliance awareness at the company level and acting as the liaison officer with the compliance officer of the AmInvestment Bank Berhad's head office. In April 2011, she was promoted to Head of Trustee Business, overseeing all aspects of the trust management operations, including the development of long-term strategies for the trust portfolio.

In April 2014, she became Vice President of the Trustee Business, where she was responsible for ensuring company-wide compliance with legal and regulatory requirements across the trust business, while also managing day-to-day operations. In November 2017, she was appointed as the Chief Executive Officer of MTrustee Berhad, a position she holds to date. As a Chief Executive Officer, she is responsible for setting the corporate vision and strategic direction of the company and ensuring its continued growth and profitability.

Further details of her involvement in other business activities outside our Group in the past 5 years up to the LPD are set out in Section 5.2.2 (e) of this Prospectus.

All of our directors have enrolled or attended the Mandatory Accreditation Programme (MAP) by the Institute of Corporate Directors Malaysia as at the LPD.

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

5.2.2 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to the LPD:

(a) Ng Moh Mang

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
BASF SE	Manufacturing and trading of chemical products	Shareholder	-	-	*	-
<u>Past involvement</u>						
BASF (Thai) Ltd	Manufacturing and trading of chemical products	Director and Chairman	1 January 2016	31 August 2022	-	-
BASF Chemcat (Thailand) Ltd	Manufacturing and trading of automotive parts	Director	1 July 2019	31 July 2022	-	-
BASF (Cambodia) Co., Ltd	Trading of chemical products	Director	1 January 2019	31 January 2022	-	-
BASF Vietnam Co., Ltd	Manufacturing and trading of chemical products	Director	1 January 2016	31 July 2022	-	-
Thai Ethoxylate Co., Ltd	Manufacturing and trading surfactants chemicals	Director	1 August 2016	31 July 2022	-	-

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

* Less than 0.01%.

(b) Tan Kwang Wah

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Trinity	Investment holding ⁽¹⁾	Director/ Shareholder	15 January 2024	-	68.23%	-
<u>Past involvement</u>						
Avea Ingredients ⁽²⁾	Business support service activities in trading of specialty industrial chemical products	Director/ Shareholder	18 April 2017	-	66.66%	-

Notes:

- (1) Trinity is the Promoter, Specified Shareholder and substantial shareholder of our Group. Please refer to Section 5.1.2 (a) of this Prospectus for further information on Trinity.
- (2) Avea Ingredients was struck off on 10 October 2025.

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Trinity	Investment holding ⁽¹⁾	Director/ Shareholder	15 January 2024	-	2.26%	-

Note:

⁽¹⁾ Trinity is the Promoter, Specified Shareholder and substantial shareholder of our Group. Please refer to Section 5.1.2 (a) of this Prospectus for further information on Trinity.

(d) Kok Kong Chin

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
EK Avenue Sdn Bhd	Investment holding company in shares and property investment holding	Director/ Shareholder	20 September 2007	-	99.99%	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Gabungan Ilmu Sdn Bhd	To carry on the business of education consultants, advisors and to provide all kinds of information and facilities relating thereto	Director/ Shareholder	8 May 2017	-	10.00%	-
Versa Asia Sdn Bhd	Investment holding company involved in digital cash management platform; research and development on engineering and technology; computer programming activities	Shareholder	-	-	6.37%	-
Mydominus Sdn Bhd	Investment holding company involved in development of information technology software	Director/ Shareholder	2 February 2021	-	30.00%	-
Bonus Approach Sdn Bhd	Investment holding company with its subsidiaries being involved in the business of restaurant and fast food	Shareholder	-	-	7.50%	-
Bens Kitchen Premium Sdn Bhd (formerly)	Operation of restaurants and sale of beverages and other food preparation	Shareholder	-	-	8.93%	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
known as S Wine (F&B) Sdn Bhd)						
Pekat Group Berhad (listed on ACE Market)	Investment holding company with its subsidiaries being involved in the design, supply, distribution and installation of earthing and lightning protection system, surge protection system and its related technologies	Independent Non-Executive Chairman/ Shareholder	17 September 2020	-	1.44%	-
Enra Land Sdn Bhd	Investment holding company with its subsidiaries being involved in property development	Director	27 March 2019	-	-	-
Enra Labuan Sdn Bhd	Property development	Director	8 May 2017	-	-	-
Sri Lasallian Sdn Bhd	Education consulting services	Director	23 November 2018	-	-	-
Enra Group Berhad (listed on Main Market)	Property investment and investment holding company with its subsidiaries principally involved in the property development, maintenance, repair and	Non-Independent Non-Executive Director/ Shareholder	26 February 2016	-	1.78%	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Ozlux IOL Sdn Bhd	overhaul services, and energy logistics Provision of lighting system	Director	28 March 2019	16 August 2023	-	-
BRP Homes Sdn Bhd	To undertake business activities in the real estate sector including property development; to carry on all or any of the business of general construction contractor, constructor of civil, mechanical and electrical engineering, planners, developers and property developers	Director	28 August 2017	30 November 2021	-	-
Berkeley Capital Sdn Bhd	Investment holding company in shares and property investment holding	Director/ Shareholder	21 May 2013	17 June 2022	⁽¹⁾ 31.67%	-
Touch Money Sdn Bhd ⁽²⁾	Investment holding company involved in digital cash management platform; unit trust management companies	Shareholder	-	-	21.31%	-

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

Company			Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
							Direct	Indirect
ENRA Property Limited	(UK)		Investment holding company with its subsidiaries being involved in property development and trading	Director	28 March 2019	7 July 2021	-	-
Abode Senior Living Limited			Property development	Director	13 March 2019	7 July 2021	-	-
Abode Caldecott Square Development Limited			Property development	Director	13 March 2019	7 July 2021	-	-
Caldecott Square Rugby Limited			Property development	Director	13 March 2019	7 July 2021	-	-

Notes:

- (1) Disposed his equity interest on 17 June 2022.
- (2) Touch Money Sdn Bhd was dissolved on 7 June 2022.

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
MTrustee Berhad	To provide trustee services	Chief Executive Officer	6 November 2017	-	-	-
Rockwills International Berhad	Investment holding company with its subsidiaries being involved in estate planning, will-writing and trust services	Shareholder	-	-	*	-
<u>Past involvement</u>						
Aspect Yachts Sdn Bhd ⁽¹⁾	Renting and leasing of pleasure boats, canoes, sailboats and other business support service activities	Director/ Shareholder	5 November 2019	-	20.00%	-

Notes:

* Less than 0.01%.

⁽¹⁾ Aspect Yachts Sdn Bhd was struck off on 10 February 2025.

As at the LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as our Directors do not hold more than 5 directorships in public listed companies on Bursa Securities.

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

Save for our Independent Non-Executive Chairman, Ng Moh Mang's involvement in BASF SE group of companies as set out in Section 10.1 (a)(i) of this Prospectus and our Managing Director, Tan Kwang Wah's past involvement in Avea Ingredients as set out in Sections 10.1 (a)(ii) and 10.1 (b) of this Prospectus, none of our Directors' involvement in those business activities outside our Group gives rise to any conflict of interest situation with our business. Further, the involvement of our Directors in the above business activities outside our Group will not affect their commitment and responsibilities to our Group as:

- (a) our Managing Director's and Executive Director's involvement in Trinity do not require them to allocate or commit any significant amount of time or attention as Trinity is involved in investment holding;
- (b) our Managing Director's past involvement in Avea Ingredients did not require him to allocate or commit any significant amount of time or attention. Nevertheless, Avea Ingredients was struck off on 10 October 2025; and
- (c) our Non-Executive Directors are not involved in our Group's day-to-day operations.

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

5.2.3 Board practice

5.2.3.1 Board

Our Board has adopted the following duties and responsibilities for effective discharge of its functions:

- (a) to provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
- (b) to review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- (c) to review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, and the employees and assets and to ensure compliance with applicable laws and regulations;
- (d) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (e) to review and approve the annual business plans, financial statements and annual reports;
- (f) to monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group; and
- (g) to appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

In accordance with our Constitution, at the first annual general meeting of the Company, all the Directors shall retire from the office and be eligible for re-election and an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Except for Tan Kwang Wah and Tan Khai Jeik, who were appointed to our Board on 19 March 2025, all of our other Directors were only appointed to our Board on 15 July 2025 and have served for less than one year as at the LPD. All of our Directors will retire and be eligible for re-election at our forthcoming first annual general meeting.

As at the LPD, our Group has adopted all the relevant MCCG recommendations, which amongst others include the following:

- (a) at least half of the Board comprises of independent directors;
- (b) the positions of the Chairman and the Managing Director are held by different individuals;

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

- (c) the Chairman is not a member of the Audit Committee, Sustainability and Risk Management Committee, and Nomination and Remuneration Committee;
- (d) the Board comprises of at least 30% women directors; and
- (e) the tenure of an Independent Non-Executive Director shall not exceed a cumulative term limit of 9 years. Upon completion of the 9 years tenure, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director. If the Board intends to retain an Independent Non-Executive Director beyond 9 years, it shall seek annual shareholders' approval through a two-tier voting process.

5.2.3.2 Audit Committee

The main function of our Audit Committee is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations. The Audit Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(a) Financial reporting

To review the quarterly and annual financial statements of the Group prepared by the management, where necessary, together with the external auditor, focusing particularly on:

- (i) any significant changes to accounting policies and practices;
- (ii) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- (iii) significant adjustments arising from the audit;
- (iv) compliance with accounting standards and other legal requirements;
- (v) the going concern assumption;
- (vi) review the external auditors' management letter and management's responses;
- (vii) major judgement areas; and
- (viii) litigation or actions that could affect the financial position, performance or results materially.

(b) Internal audit function

- (i) to review the effectiveness of internal audit function, including the ability, competency and qualification of the internal audit team and/or outsourced internal auditors (if any) to perform its duties;
- (ii) to review the adequacy of the scope, functions competency and resources, and that it has the necessary authority to carry out its work;

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

- (iii) to review and approve the internal audit plan and the internal audit report and, where necessary, ensure that appropriate actions are taken on the recommendations made by the internal audit function;
- (iv) to receive and review on a regular basis the reports, findings and recommendations of the internal audit team and/or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations;
- (v) to ensure the internal audit team and/or outsourced internal auditors has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties;
- (vi) to review any matters concerning the employment or appointment (and re-appointment) of the in-house and/or the outsourced internal auditors (as the case may be) and the reasons for resignation or termination of either party; and
- (vii) to request and review any special audit which the Audit Committee deems necessary.

(c) External audit

- (i) to review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors;
- (ii) to review the annual performance assessment, including the suitability and independence of the external auditors and make recommendations to the Board, the appointment or re-appointment of the external auditors;
- (iii) in assessing or determining the suitability and independence of the external auditors, the Audit Committee shall take into consideration of the following:
 - (aa) the adequacy of the experience and resources of the external auditors;
 - (bb) the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - (cc) the nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee; and
 - (dd) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor.
- (iv) to review any matters arising concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors;
- (v) to review the external auditor's audit report, and management letter and management's response to the management letter;

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

- (vi) to be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised;
- (vii) to review the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and
- (viii) to review with the external auditors for the statement on risk management and internal control of the Group for inclusion in the annual report.

(d) Related party transactions/conflict of interest situations

- (i) to review any related party transactions and conflict of interest situations that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts; and
- (ii) to ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes.

(e) Audit Committee reports

To prepare the annual Audit Committee report to the Board for inclusion in the annual report and to review the Board's statements on compliance with the MCCG for inclusion in the annual report.

(f) Other matters

- (i) to verify the allocation of options pursuant to the share issuance scheme or the allocation of shares pursuant to any incentive plan for employees of the Group at the end of each financial years as being in compliance with the criteria which is disclosed to the employees and make a statement in the annual report that such allocation has been verified;
- (ii) to exercise its powers and carry out its responsibilities as may be required from time to time under the whistleblowing policy and the anti-bribery and anti-corruption policy of the Group; and
- (iii) to carry out any other function that may be mutually agreed upon by the Audit Committee and the Board.

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

Our Audit Committee was formed by our Board on 18 August 2025. The members of our Audit Committee as at the LPD are as follows:

Name	Designation	Directorship
How Dai Koan	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Director
Nurizan Binti Jalil	Member	Independent Non-Executive Director

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

Our Nomination and Remuneration Committee will review the composition, performance and effectiveness of our Audit Committee annually.

5.2.3.3 Sustainability and Risk Management Committee

The duties and responsibilities as stated in the terms of reference of our Sustainability and Risk Management Committee include the following:

(a) Sustainability

- (i) to have full responsibility for reviewing the sustainability strategy and performance;
- (ii) to ensure smooth coordination and implementation of the sustainability strategy. The sustainability strategy shall include the sustainability pillars i.e. ESG;
- (iii) to oversee the processes, standards and strategies designed to manage social and environmental risks, covering issues such as safety, health, employment practices, community relations, human rights, etc. covering:
 - (aa) reviews adoption and effectiveness of all sustainability related policies/standards;
 - (bb) oversee management processes to ensure compliance with policies/standards;
 - (cc) review annual periodic reports from senior management; and
 - (dd) review sustainability statement/report before its inclusion in the annual report.
- (iv) to provide oversight and input to management's implementation, operation and assurance of policies and standards to ensure that the Group's strategies and goals pertaining to sustainability are aligned;
- (v) to monitor the sustainability key performance indicators of the Group and their implementation;
- (vi) to drive engagement on sustainability amongst senior management of the Company, as well as mobilizing the support of the workforce through adoption of a mindset in favour of sustainability; and
- (vii) to perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board.

(b) Risk management

- (i) oversee the risk management framework and policies of the Group. In doing this, the Sustainability and Risk Management Committee is to identify for the Board's determination the Group's level of risk tolerance and to actively identify, assess and monitor key business risks of the Group;
- (ii) review the statement on risk management and internal control for inclusion in the Group's annual report, and recommend to the Board for approval;

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

- (iii) ensure alignment of risk management strategies and culture with the Group's business objectives;
- (iv) ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to management and the Board;
- (v) ensure that a comprehensive risk management approach is in place to identify risks, communicate risk interrelationships and manage risk profiles across the organisation;
- (vi) ensure that key risks are effectively managed in accordance with the Group's risk management strategies and policies;
- (vii) evaluate how the management is reviewing the principal business risks and assess the appropriateness of the mechanisms in place to identify, prevent and minimise these business risks;
- (viii) ensure an appropriate system is established to identify and report on areas of potential business risk in sufficient time in order for remedial actions to be taken;
- (ix) recommend to the Board its findings and propose course of actions to be taken to ensure controls are put in place to address these risks. In this context, business risks include all risks (i.e. external/strategic risks and also internal operational, financial, compliance risks) which, due to their nature, can deter the business from achieving its strategic goals;
- (x) ensure that there are adequate resources to support the Group's risk management function in fulfilling its responsibilities;
- (xi) review how key enterprise risks are integrated into strategic planning and performance metrics;
- (xii) Sustainability strategy. The sustainability strategy shall include the sustainability pillars i.e. ESG;
- (xiii) to oversee the identification and management of climate-related financial risks and opportunities in line with global best practices;
- (xiv) to ensure ESG disclosures comply with applicable reporting frameworks and are subject to appropriate internal or external assurance.

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

Our Sustainability and Risk Management Committee was formed by our Board on 18 August 2025. The members of our Sustainability and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Kok Kong Chin	Chairperson	Independent Non-Executive Director
Nurizan Binti Jalil	Member	Independent Non-Executive Director
How Dai Koan	Member	Independent Non-Executive Director

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

Our Nomination and Remuneration Committee will review the composition, performance and effectiveness of our Sustainability and Risk Management Committee annually.

5.2.3.4 Nomination and Remuneration Committee

The duties and responsibilities as stated in the terms of reference of our Nomination and Remuneration Committee include the following:

(a) With regard to nominations matters

- (i) to undertake an annual review of the Board's succession plans, taking into consideration, the present size, structure and composition of the Board and Board committees as well as the required mix of skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (ii) to facilitate and evaluate the effectiveness of the Board as a whole, the various committees and each individual Director's contribution to the effectiveness on the decision-making process of the Board;
- (iii) to give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
- (iv) to identify and make recommendation to the Board on new candidates for election/appointment to the Board or to fill board vacancies as and when they arise;
- (v) to ensure that orientation and education programmes are provided for new members of the Board;
- (vi) to recommend to the Board concerning the re-election/re-appointment of Directors to the Board pursuant to the provisions in the Company's Constitution;
- (vii) in determining the process for the identification of suitable candidates, the Nomination and Remuneration Committee will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of criteria comprising but not limited to the following:
 - (aa) skills, knowledge, expertise and experience;
 - (bb) professionalism;
 - (cc) integrity;
 - (dd) existing number of directorships held;
 - (ee) confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and

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

- (ff) in the case of candidates being considered for the position of independent director, such potential candidates have the ability to discharge such responsibilities/functions as expected from independent non-executive directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "independent directors" prescribed by the Listing Requirements of Bursa Securities and being able to bring independent and objective judgement to the Board.

Where required, the members of the Nomination and Remuneration Committee would meet up with potential candidates for the position of director to conduct an assessment of the suitability.

(Note: The Group practices non-discrimination in any form whether based on age, gender, ethnicity or religion throughout the organisation and this includes the selection of directors).

- (viii) to undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;
- (ix) to provide a report summarising its activities for the year in compliance with the MCCG, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included as a separate report; and
- (x) the Nomination and Remuneration Committee shall assess its own performance and effectiveness annually, including its compliance with its terms of reference.

(b) With regard to remunerations matters

- (i) to review and recommend to the Board the framework of remuneration of the executive Directors and senior management (if any), taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in selected group of comparable companies;
- (ii) to review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for executive Directors and/or senior management (if any) depending on various performance measurements of the Group;
- (iii) to review and determine the other benefits in kind including but not limited to salary, bonuses, allowances, other emoluments for the executive Directors and/or senior management (if any);
- (iv) to review and make recommendations to the Board in respect of fees and benefits payable to the non-executive Directors; fees and any non-contractual benefits payable to the executive Directors (if any), and any compensation for loss of employment of an executive Director or former Director of the Group (if any) shall be approved at the general meeting pursuant to Section 230(1) of the Act and the Listing Requirements;

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

- (v) to review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice;
- (vi) to recommend the engagement of external professional advisors to assist and/or advise the Nomination and Remuneration Committee and the Board, on remuneration matters, where necessary; and
- (vii) to provide a report summarising its activities for the year in compliance with the MCCG, Listing Requirements and any relevant regulations.

The recommendations of our Nomination and Remuneration Committee are subject to the approval of our Board.

Our Nomination and Remuneration Committee was formed by our Board on 18 August 2025. The members of our Nomination and Remuneration Committee as at the LPD are as follows:

Name	Designation	Directorship
Nurizan Binti Jalil	Chairperson	Independent Non-Executive Director
Kok Kong Chin	Member	Independent Non-Executive Director
How Dai Koan	Member	Independent Non-Executive Director

5.2.4 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements entered into between our Company with our Directors which provides for benefits upon termination of employment. For avoidance of doubt, the employment agreements are not service agreements as the same do not provide for benefits upon termination of employment.

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

5.2.5 Directors' shareholdings

The shareholdings of our Directors in our Company before and after the IPO are set out below:

Name	Designation/ Nationality	⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Moh Mang	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	⁽⁴⁾ 4,000,000	0.64	-	-
Tan Kwang Wah	Managing Director/ Malaysian	312,977,999	62.60	⁽³⁾ 176,154,001	35.23	-	-	⁽⁵⁾ 426,632,000	68.26
Tan Khai Jeik	Executive Director/ Malaysian	22,146,000	4.43	-	-	-	-	-	-
How Dai Koan	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-
Kok Kong Chin	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 2,000,000	0.32	-	-

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

Name	Designation/ Nationality	⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Nurizan Binti Jalil	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽⁴⁾ 1,000,000	0.16	-	-

Notes:

- ⁽¹⁾ Based on the total number of 500,000,000 Shares after the Acquisitions but before our IPO.
- ⁽²⁾ Based on the enlarged total number of 625,000,000 Shares after our IPO.
- ⁽³⁾ Deemed interest by virtue of his interest held in Trinity, and his spouse, Sam Lai Yoong's, as well as his sons, Tan Khai Jeik's and Tan Khai Wen's, interest held in the Company pursuant to Section 8 and Section 59(11)(c) of the Act.
- ⁽⁴⁾ Assuming our Directors will fully subscribe for their respective allocations under the Pink Form Allocations.
- ⁽⁵⁾ Deemed interest by virtue of his interest held in Trinity pursuant to Section 8 of the Act.

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

5.3 KEY SENIOR MANAGEMENT

5.3.1 Profiles of key senior management

Save for the profile of Tan Khai Wen, being our Chief Operating Officer, which has been set out in Section 5.1.2 (d) of this Prospectus, the profiles of the other key senior management of our Group are set out below:

(a) Kam Shih Wui
Chief Financial Officer

Kam Shih Wui, a Malaysian male, aged 41, is our Chief Financial Officer and is responsible for our Group's overall accounting and finance functions as well as human resources and administration functions.

He graduated from the Universiti Selangor (formerly known as Universiti Industri Selangor) with a Bachelor of Accountancy (Honours) in October 2009 and subsequently obtained a Master in Business Administration from the Asia Metropolitan University, Malaysia, in December 2017. He was admitted as a Chartered Accountant of the Malaysian Institute of Accountants in July 2013. In April 2020, he was admitted as an ASEAN Chartered Professional Accountant of the ASEAN Chartered Professional Accountants Coordinating Committee.

Following his graduation in October 2009, he took a brief break before he commencing his career as an Account Officer in April 2010 at Wipro Unza (M) Sdn Bhd, a company involved in the distribution and sale of toiletries and other related products. In this role, he was responsible for recording accounting transactions, including ledger entries, account reconciliation, and processing cash receipts.

In March 2013, he left Wipro Unza (M) Sdn Bhd and after a short career break, he joined Biaxis (M) Sdn Bhd, a company involved in geotechnical contracting and investment holding, as an Account Executive in May 2013. During his tenure with Biaxis (M) Sdn Bhd, he was responsible for the preparation of financial statements, ledger reconciliations and managing disbursements, and assisting in budgeting and forecasting of cost and revenue. He held this position until his departure in December 2018.

In January 2019, he joined GGTM Sdn Bhd, a company involved in the exploration, mining, and production of dimension stone granites for sales as well as interior fit-out applications, as an Assistant Finance Manager. He was responsible for analysing financial data to manage costs, preparing forecast, conducting cost reviews, and assisting in submission of quarterly and annual financial report to the Singapore Exchange Limited. In June 2019, he left GGTM Sdn Bhd through an internal transfer to join Angka Alamjaya Sdn Bhd, a company involved in gold and related mineral mining, and also serves as a consultant and contractor of natural resources, both were subsidiaries of VCPlus Limited (formerly known as Anchor Resources Limited, a company listed on the Singapore Exchange Limited) at the time, as an Assistant Finance Manager in July 2019, where he assumed the same responsibilities until he left Angka Alamjaya Sdn Bhd in March 2021.

In April 2021, he joined Toyota Auto Body (Malaysia) Sdn Bhd, a wholly-owned subsidiary of Toyota Auto Body Co., Ltd, Japan, which is involved in the manufacturing and distribution of automotive parts, including press components, resins, and sub-assembled modules. As an Assistant Manager, he was responsible for preparing financial reports for submission to the parent company in Japan, maintaining

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

accounting records and control systems, overseeing financial planning and statutory compliance, and assisting in the implementation of internal control policies and inventory-related operational processes.

He left Toyota Auto Body (Malaysia) Sdn Bhd in December 2021 and joined Skynet Worldwide (M) Sdn Bhd, a company involved in courier, parcel delivery, logistics and transportation services, as an Assistant Manager in January 2022. In this role, he was responsible for financial control and statutory compliance, managing working capital, and preparing group cash flow reports across all Malaysian branches until he left Skynet Worldwide (M) Sdn Bhd in December 2022.

In January 2023, he joined One Gasmaster Sdn Bhd as an Accountant, a company involved in gas detection safety systems and engineering-related products and services, where he was responsible for reviewing financial statements and presenting the financial highlight to the senior management until he left One Gasmaster Sdn Bhd in March 2024.

In April 2024, he joined Entire Concept as a Finance Manager, where he is responsible in preparing and reviewing financial statements and budgets to ensure accurate and timely financial reporting, as well as conducting in-depth financial analysis to support strategic decision-making. Prior to his appointment as our Chief Financial Officer, the Group's accounting and finance functions were managed by a senior account executive, who resigned on 5 January 2026. In January 2025, he assumed his current role as our Chief Financial Officer.

He does not have any other directorships and/or principal business activities performed outside of our Group in the past 5 years up to the LPD.

(b) **Lim Ee Chee**

Purchasing Manager

Lim Ee Chee, a Malaysian female, aged 45, is our Purchasing Manager. She is responsible for developing and executing purchasing strategies by analysing market trends and supplier conditions to ensure cost-effective and timely procurement while identifying opportunities for cost reduction and process improvement to enhance overall operational efficiency of our Group.

She graduated with a Bachelor of Science, majoring in Biotechnology from the Monash University Malaysia in September 2003.

She began her career in April 2003 as an Assistant Chemist in Axalta Powder Coating Systems (Malaysia) Sdn Bhd (formerly known as Dupont Powder Coatings (M) Sdn Bhd), a subsidiary of Axalta Coating Systems Ltd which is listed on New York Stock Exchange, a company involves in manufacturing and trading of thermo-setting or thermo-plastic powder for industrial coating of steel, aluminium and other substrates, and was subsequently promoted to Chemist before leaving the company in March 2004. During her tenure, she was involved in research and development focused on experimenting with different raw material combinations to optimise powder coating formulations and reduce overall production costs for thermo-setting or thermo-plastic powders.

In April 2004, she joined Thor Specialties Sdn Bhd as a Laboratory Technician, a wholly-owned subsidiary of Tato Holdings Limited, a company involves in manufacturing of speciality industrial chemicals. She was responsible for providing technical support, conducting laboratory tests and preparing analytical reports to

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

meet customer requirements. In January 2011, she was promoted to Laboratory Supervisor and assumed broader responsibilities, including the day-to-day management of the microbiology laboratory while also training and supervising laboratory technicians.

She left Thor Specialties Sdn Bhd in May 2021 and joined Eckem in June 2021 as a Purchasing Executive, where she was responsible for the end-to-end procurement process, which included sourcing and negotiating for the procurement of raw materials, as well as monitoring and coordinating with suppliers to ensure timely and accurate fulfilment of deliveries. In January 2025, she assumed her current role as Purchasing Manager.

She does not have any other directorships and/or principal business activities performed outside of our Group in the past 5 years up to the LPD.

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

5.3.2 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorships and/or principal business activities performed outside our Group in the past 5 years up to the LPD:

(a) Tan Khai Wen

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Trinity	Investment holding ⁽¹⁾	Director/ Shareholder	15 January 2024	-	15.32%	-

Note:

⁽¹⁾ Trinity is the Promoter, Specified Shareholder and substantial shareholder of our Group. Please refer to Section 5.1.2 (a) of this Prospectus for further information on Trinity.

The involvement of Tan Khai Wen in Trinity is not required him to allocate or commit any significant amount of time or attention as Trinity is involved in investment holding.

5.3.3 Existing or proposed service agreements

As at the LPD, there are no existing or proposed service agreements entered into between our Company with our key senior management which provides for benefits upon termination of employment. For avoidance of doubt, the employment agreements are not service agreements as the same do not provide benefits upon termination of employment.

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

5.3.4 Key senior management shareholdings

The details of our key senior management and their direct and indirect shareholdings before and after the IPO are set out below:

Name	Designation/ Nationality	⁽¹⁾ After the Acquisitions but before our IPO				⁽²⁾ After the Share Transfer and our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Khai Wen	Chief Operating Officer/ Malaysian	77,854,000	15.57	-	-	-	-	-	-
Kam Shih Wui	Chief Financial Officer/ Malaysian	-	-	-	-	⁽³⁾ 400,000	0.06	-	-
Lim Ee Chee	Purchasing Manager/ Malaysian	-	-	-	-	⁽³⁾ 400,000	0.06	-	-

Notes:

⁽¹⁾ Based on the total number of 500,000,000 Shares after the Acquisitions but before our IPO.

⁽²⁾ Based on our enlarged total number of 625,000,000 Shares after our IPO.

⁽³⁾ Assuming our Chief Financial Officer, Kam Shih Wui, and our Purchasing Manager, Lim Ee Chee, will fully subscribe for their respective allocations under the Pink Form Allocations.

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

5.4 RELATIONSHIPS AND/OR ASSOCIATIONS

As at the LPD, save for the following, there are no other family relationships or association between or amongst our Promoters, Specified Shareholders, substantial shareholders, Directors and key senior management:

- (a) Tan Kwang Wah is the spouse of Sam Lai Yoong, and the father of Tan Khai Wen and Tan Khai Jeik;
- (b) Tan Khai Jeik is the son of Tan Kwang Wah and Sam Lai Yoong, and the brother of Tan Khai Wen;
- (c) Tan Khai Wen is the son of Tan Kwang Wah and Sam Lai Yoong, and the brother of Tan Khai Jeik;
- (d) Sam Lai Yoong is the spouse of Tan Kwang Wah, and the mother of Tan Khai Wen and Tan Khai Jeik; and
- (e) Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong, being the shareholders and directors of Trinity.

5.5 REMUNERATION AND BENEFITS**5.5.1 Directors remuneration and benefits**

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Nomination and Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 14.3 of this Prospectus for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2024 and FYE 2025 and proposed to be paid for FYE 2026 are as follows:

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

	Directors' fees	Salaries	Bonuses	(1)Other emoluments	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 2024						
Tan Kwang Wah	-	300	-	37	18	355
Tan Khai Jeik	-	108	21	17	9	155
FYE 2025						
Ng Moh Mang	-	-	-	-	-	-
Tan Kwang Wah	-	300	22	40	9	371
Tan Khai Jeik	-	108	13	16	9	146
How Dai Koan	-	-	-	-	-	-
Kok Kong Chin	-	-	-	-	-	-
Nurizan Binti Jalil	-	-	-	-	-	-
FYE 2026 (Proposed)						
Ng Moh Mang	(2)60	-	-	-	-	60
Tan Kwang Wah	-	390	-	47	9	446
Tan Khai Jeik	-	136	-	18	9	163
How Dai Koan	(2)60	-	-	-	-	60
Kok Kong Chin	(2)60	-	-	-	-	60
Nurizan Binti Jalil	(2)60	-	-	-	-	60

Notes:

(1) Other emoluments include EPF, SOCSO and EIS.

(2) The proposed Directors' fees to our non-executive Directors shall only commence in January 2026.

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

5.5.2 Key senior management remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2024 and FYE 2025 and proposed to be paid for FYE 2026 are as follows:

	⁽¹⁾ Remuneration band		
	FYE 2024 (Paid)	FYE 2025 (Paid)	FYE 2026 (Proposed)
	RM'000	RM'000	RM'000
Tan Khai Wen	100 – 150	100 – 150	100 – 150
Kam Shih Wui	⁽²⁾ 100 – 150	100 – 150	150 – 200
Lim Ee Chee	50 – 100	50 – 100	100 – 150

Notes:

⁽¹⁾ The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.

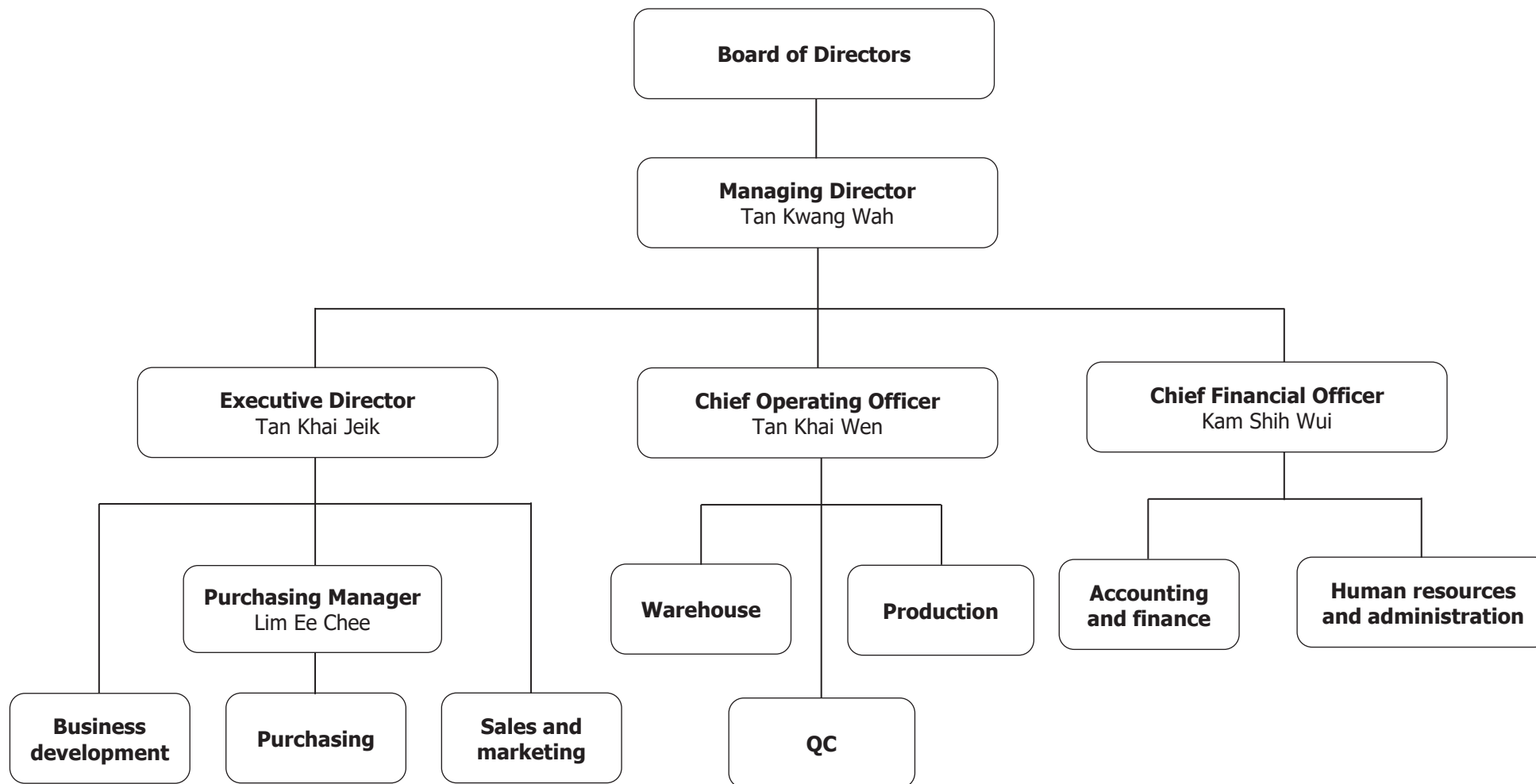
⁽²⁾ Calculated on a pro-rated based on his join date on 1 April 2024.

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

5.6 MANAGEMENT STRUCTURE

The management reporting structure of our Group is as follows:



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

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following (whether in or outside Malaysia):

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

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6. INFORMATION ON OUR GROUP

6.1 BACKGROUND INFORMATION

6.1.1 Incorporation

Our Company was incorporated on 22 January 2024 under the Act as a private limited company under the name of Eckem Holdings Sdn Bhd. Subsequently, our Company was converted into a public limited company on 22 August 2025 and assumed our present name as Eckem Holdings Berhad.

Our Company is an investment holding company. Through our subsidiaries, we focus principally on the distribution, sales and application formulation of specialty industrial chemical products as well as manufacturing and trading of rubber products.

6.1.2 History and development

Our Group's history can be traced back to the incorporation of Eckem on 11 April 2007 by Tan Kwang Wah, our Managing Director, and his spouse Sam Lai Yoong, with 80.00% and 20.00% equity interests, respectively. Both Tan Kwang Wah and Sam Lai Yoong were concurrently appointed as directors of Eckem. In 2007, Eckem commenced operations in the distribution of a range of specialty industrial chemical products to industrial customers.

On 25 September 2007, Tan Kwang Wah, Sam Lai Yoong and Tan Tiam Chye (a third-party), incorporated Eckem JB with 40.00%, 20.00% and 40.00% equity interests, respectively, all of whom were concurrently appointed as directors of Eckem JB. Through Eckem JB, we expanded the distribution of the specialty industrial chemical products under Eckem's portfolio to the southern region of Peninsular Malaysia. Over the years, Eckem JB has played a vital role in strengthening our presence in the southern region of Peninsular Malaysia by responding more promptly to customer enquiries and ensuring timely deliveries of our products.

Prior to the acquisition of entire equity interests in Entire Concept by Tan Kwang Wah and Tan Kee Dong, being the father of Tan Kwang Wah, from Chang Jeng Hion and Farha Binti Ab Aziz on 3 February 2009, Tan Kwang Wah and Tan Kee Dong had been the directors of Entire Concept since 2 February 2005. The acquisition resulted in Tan Kwang Wah and Tan Kee Dong holding the equal equity interests in Entire Concept at that point in time. Entire Concept was then principally involved in the distribution of polymer-based specialty industrial chemical products. The acquisition of Entire Concept enabled us to expand the product range of Eckem, and market these new products to our existing customers as well as target new customer segments.

On 27 August 2015, Eckem Singapore was incorporated by Tan Kwang Wah, Sam Lai Yoong and Wong Yin Mun (a third-party), holding 45.00%, 45.00% and 10.00% equity interests, respectively, all of whom were concurrently appointed as directors of Eckem Singapore. On 1 August 2017, Wong Yin Mun ceased to be a director and disposed her entire shareholdings in Eckem Singapore to Lau Bik Huat (a third-party). The incorporation of Eckem Singapore allowed us to penetrate the Singapore market where we then began distributing a range of specialty industrial chemical products to industrial customers in Singapore.

On 19 October 2015, Tan Khai Jeik, our Executive Director and the son of Tan Kwang Wah, was appointed as a director of Entire Concept, and on 20 October 2015, Tan Kee Dong resigned as a director. Subsequently, on 4 January 2016, Tan Kee Dong disposed his entire 50.00% equity interests in Entire Concept to Tan Kwang Wah and Tan Khai Jeik. Pursuant to this, the shareholding structure in Entire Concept comprised Tan Kwang Wah and Tan Khai Jeik holding 80.00% and 20.00%, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

On 28 March 2022, Tan Khai Wen, our Chief Operating Officer and the son of Tan Kwang Wah, together with Tan Kwang Wah and Tey Tai See (a third-party), incorporated Novatex Product holding 20.00%, 40.00% and 40.00% equity interests, respectively, all of whom were concurrently appointed as directors of Novatex Product. On 23 August 2022, Ng Leong Fock (being the husband of Tey Tai See and a third-party) was appointed as director of Novatex Product. In 2022, Novatex Product commenced trading operations by selling rubber product samples to potential customers for trial purposes and began manufacturing rubber products in 2023 upon assessing trial results and market readiness.

On 6 September 2022, Tan Kwang Wah transferred 20.00% of equity interest in Eckem to Tan Khai Wen. This resulted in Tan Kwang Wah holding 60.00%, Tan Khai Wen holding 20.00% and Sam Lai Yoong holding 20.00% equity interests in Eckem.

On 28 October 2022, Tan Tiam Chye resigned as a director and Tan Khai Jeik was appointed as a director of Eckem JB. Subsequently, on 30 November 2022, Tan Tiam Chye disposed his entire 40.00% equity interests in Eckem JB to Tan Kwang Wah and Tan Khai Jeik. This resulted in Tan Kwang Wah holding 60.00%, Sam Lai Yoong holding 20.00% and Tan Khai Jeik holding 20.00% equity interests in Eckem JB.

On 3 November 2022, Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn (a third-party), incorporated Enrich Chemicals with 60.00%, 20.00% and 20.00% equity interests, respectively, all of whom were concurrently appointed as directors of Enrich Chemicals. In first quarter of 2023, Enrich Chemicals commenced operations in the distribution of specialty industrial chemical products used in the production of wood and timber chemical protection products as well as specialty industrial chemical products under Eckem's portfolio targeting the furniture industry in Muar, Johor and the southern region of Peninsular Malaysia.

On 6 March 2023, Tan Wei Hunn acquired 20.00% equity interests in Enrich Chemicals from Tan Kwang Wah. Pursuant to this, the shareholdings in Enrich Chemicals comprised Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn holding 40.00%, 20.00% and 40.00% equity interests, respectively.

On 19 December 2023, Mat Isa Bin Kahar (a third-party) acquired 20.00% shareholdings of Tey Tai See in Novatex Product, resulting in Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar holding 40.00%, 20.00%, 20.00% and 20.00% equity interests, respectively in Novatex Product.

On 10 May 2024, Lau Bik Huat disposed his entire 10.00% equity interests in Eckem Singapore to Tan Kwang Wah. This resulted in Tan Kwang Wah and Sam Lai Yoong holding 55.00% and 45.00%, respectively in Eckem Singapore. Lau Bik Huat has continued to serve as a director of Eckem Singapore until today.

On 15 October 2024, Tan Khai Wen was appointed as a director of Entire Concept, resulting in the directors being Tan Kwang Wah, Tan Khai Jeik and Tan Khai Wen. On the same day, Tan Khai Jeik and Tan Khai Wen were appointed as directors of Eckem, resulting in the directors being Tan Kwang Wah, Sam Lai Yoong, Tan Khai Jeik and Tan Khai Wen.

On 21 February 2025, Mat Isa Bin Kahar was appointed as a director of Novatex Product, resulting in the directors being Tan Kwang Wah, Tan Khai Wen, Tey Tai See, Ng Leong Fock and Mat Isa Bin Kahar.

On 24 June 2025, Tan Khai Jeik was appointed as a director of Eckem Singapore, resulting in the directors being Tan Kwang Wah, Sam Lai Yoong, Lau Bik Huat and Tan Khai Jeik.

6. INFORMATION ON OUR GROUP (Cont'd)

The key milestones in our Group's history are as detailed below:

Year	Milestones
2007	• Incorporation of Eckem, marking the commencement of our operations in the distribution of specialty industrial chemical products • Expanded the distribution presence to the southern region of Peninsular Malaysia through the incorporation of Eckem JB
2009	• Acquired Entire Concept to expand the range of our specialty industrial chemical products
2013	• Appointed as a distributor of BASF SE, a specialty chemical brand principal based in Germany
2015	• Expanded the distribution of a specialty industrial chemical products to industrial customers in Singapore and incorporated Eckem Singapore • Began marketing and distributing our own brands of specialty industrial chemical products
2020	• Appointed as a distributor of ICL Specialty Products Inc., a specialty chemical brand company based in USA
2022	• Diversified our business into the manufacturing and trading of rubber products through the incorporation of Novatex Product • Incorporation of Enrich Chemicals, targeting the furniture industry in Muar, Johor and the southern region of Peninsular Malaysia
2023	• Appointed as a distributor of Worlée-Chemie GmbH ("Worlee"), a specialty chemical brand principal based in Germany • Appointed as a distributor of Wacker Chemie AG ("Wacker"), a specialty chemical brand principal based in Germany • Commenced manufacturing of rubber products
2024	• Appointed as a distributor of BLJ (Malaysia) Sdn Bhd (formerly known as Mortrade Sdn Bhd) ("BLJ"), Malaysian branch of a specialty chemical brand principal based in China • Appointed as a distributor of Ingevity UK Ltd ("Ingevity"), UK branch for a specialty chemical brand principal based in USA • Appointed as a distributor of IGM Resins (Shanghai) Management Co., Ltd ("IGM"), China branch of a specialty chemical brand principal based in the Netherlands • Appointed as a distributor of Lanxess Pte Ltd ("Lanxess"), Singapore branch of a specialty chemical brand principal based in Germany

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6. INFORMATION ON OUR GROUP (Cont'd)**6.1.3 Formation of our Group**

In preparation for our Listing, we have undertaken the following Acquisitions and Share Transfer:

6.1.3.1 Acquisitions**(a) Acquisition of Eckem**

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen to acquire the entire equity interest in Eckem comprising 1,000,000 ordinary shares for a purchase consideration of RM25,572,420 which was satisfied by the issuance of 373,319,999 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen at an issue price of RM0.0685 each.

Shareholders Eckem	in	Shareholdings in Eckem		Purchase consideration	No. of Shares issued
		No. of shares acquired	% of share capital	RM	
Tan Kwang Wah		600,000	60.00	15,343,452	223,991,999
Sam Lai Yoong		200,000	20.00	5,114,484	74,664,000
Tan Khai Wen		200,000	20.00	5,114,484	74,664,000
Total		1,000,000	100.00	25,572,420	373,319,999

The Acquisition of Eckem was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Eckem was completed on 31 March 2026. Thereafter, Eckem became our wholly-owned subsidiary. The purchase consideration of RM25,572,420 for the Acquisition of Eckem was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Eckem as at 31 December 2024 of RM25,848,015.

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

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6. INFORMATION ON OUR GROUP (Cont'd)**(b) Acquisition of Entire Concept**

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah and Tan Khai Jeik to acquire the entire equity interest in Entire Concept comprising 1,000,000 ordinary shares for a purchase consideration of RM6,306,110 which was satisfied by the issuance of 92,060,000 new Shares to Tan Kwang Wah and Tan Khai Jeik at an issue price of RM0.0685 each.

Shareholders in Entire Concept	Shareholdings in Entire Concept		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital	RM	
Tan Kwang Wah	800,000	80.00	5,044,888	73,648,000
Tan Khai Jeik	200,000	20.00	1,261,222	18,412,000
Total	1,000,000	100.00	6,306,110	92,060,000

The Acquisition of Entire Concept was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Entire Concept was completed on 31 March 2026. Thereafter, Entire Concept became our wholly-owned subsidiary. The purchase consideration of RM6,306,110 for the Acquisition of Entire Concept was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Entire Concept as at 31 December 2024 of RM6,373,870.

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

(c) Acquisition of Eckem JB

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik to acquire the entire equity interest in Eckem JB comprising 100,000 ordinary shares for a purchase consideration of RM510,325 which was satisfied by the issuance of 7,450,000 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik at an issue price of RM0.0685 each.

Shareholders in Eckem JB	Shareholdings in Eckem JB		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital	RM	
Tan Kwang Wah	60,000	60.00	306,195	4,470,000
Sam Lai Yoong	20,000	20.00	102,065	1,490,000
Tan Khai Jeik	20,000	20.00	102,065	1,490,000
Total	100,000	100.00	510,325	7,450,000

6. INFORMATION ON OUR GROUP (Cont'd)

The Acquisition of Eckem JB was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Eckem JB was completed on 31 March 2026. Thereafter, Eckem JB became our wholly-owned subsidiary. The purchase consideration of RM510,325 for the Acquisition of Eckem JB was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Eckem JB as at 31 December 2024 of RM515,982.

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

(d) Acquisition of Enrich Chemicals

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn to acquire the entire equity interest in Enrich Chemicals comprising 500,000 ordinary shares for a purchase consideration of RM768,570 which was satisfied by the issuance of 11,220,000 new Shares to Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn at an issue price of RM0.0685 each.

Shareholders in Enrich Chemicals	Shareholdings in Enrich Chemicals		Purchase consideration RM	No. of Shares issued
	No. of shares acquired	% of share capital		
Tan Kwang Wah	200,000	40.00	307,428	4,488,000
Tan Khai Jeik	100,000	20.00	153,714	2,244,000
Tan Wei Hunn	200,000	40.00	307,428	4,488,000
Total	500,000	100.00	768,570	11,220,000

The Acquisition of Enrich Chemicals was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Enrich Chemicals was completed on 31 March 2026. Thereafter, Enrich Chemicals became our wholly-owned subsidiary. The purchase consideration of RM768,570 for the Acquisition of Enrich Chemicals was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Enrich Chemicals as at 31 December 2024 of RM776,945.

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

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6. INFORMATION ON OUR GROUP (Cont'd)**(e) Acquisition of Novatex Product**

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar to acquire the entire equity interest in Novatex Product comprising 600,000 ordinary shares for a purchase consideration of RM1,092,575 which was satisfied by the issuance of 15,950,000 new Shares to Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar at an issue price of RM0.0685 each.

Shareholders in Novatex Product	Shareholdings in Novatex Product		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital	RM	
Tan Kwang Wah	240,000	40.00	437,030	6,380,000
Tan Khai Wen	120,000	20.00	218,515	3,190,000
Tey Tai See	120,000	20.00	218,515	3,190,000
Mat Isa Bin Kahar	120,000	20.00	218,515	3,190,000
Total	600,000	100.00	1,092,575	15,950,000

The Acquisition of Novatex Product was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Novatex Product was completed on 31 March 2026. Thereafter, Novatex Product became our wholly-owned subsidiary. The purchase consideration of RM1,092,575 for the Acquisition of Novatex Product was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Novatex Product as at 31 December 2024 of RM1,104,457.

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

(f) Acquisition of Eckem Singapore

On 18 August 2025, we entered into a conditional share sale agreement with Tan Kwang Wah and Sam Lai Yoong to acquire the entire equity interest in Eckem Singapore comprising 100 ordinary shares for a purchase consideration of SGD2 which was fully satisfied in cash.

Shareholders in Eckem Singapore	Shareholdings in Eckem Singapore		Purchase consideration
	No. of shares acquired	% of share capital	SGD
Tan Kwang Wah	55	55.00	1.10
Sam Lai Yoong	45	45.00	0.90
Total	100	100.00	2.00

6. INFORMATION ON OUR GROUP (Cont'd)

The Acquisition of Eckem Singapore was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on 6 February 2026. The Acquisition of Eckem Singapore was completed on 20 March 2026. Thereafter, Eckem Singapore became our wholly-owned subsidiary. The purchase consideration of SGD2 for the Acquisition of Eckem Singapore was arrived at on a "willing-buyer willing-seller basis" after taking into consideration the audited net liability of Eckem Singapore as at 31 December 2024 of SGD6,656 equivalent to RM21,884 based on an exchange rate of SGD1.00: RM3.2878, being BNM's prevailing middle rate as at 5.00 p.m. on 31 December 2024.

6.1.3.2 Share Transfer

Trinity is an investment holding company held by Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong with equity interest of 68.23%, 2.26%, 15.32% and 14.19%, respectively. Further details of Trinity are set out in Section 5.1.2 (a) of this Prospectus.

During the prescribed period (1 day after the launching date of the Prospectus up to a period of 30 days), Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong will transfer their respective shareholdings amounting to 426,631,999 Shares to Trinity in conjunction with the IPO.

Upon Listing, Trinity will hold 68.26% of our enlarged total number of 625,000,000 Shares. Further details of the Share Transfer are set out below:

Shareholders in Trinity	No. of Shares in Eckem Holdings before the Share Transfer	(1)%	No. of Shares to be transferred	(1)%	No. of Shares in Eckem Holdings after the Share Transfer	(1)%
Tan Kwang Wah	291,102,999	46.58	291,102,999	46.58	-	-
Tan Khai Jeik	9,646,000	1.54	9,646,000	1.54	-	-
Tan Khai Wen	65,354,000	10.46	65,354,000	10.46	-	-
Sam Lai Yoong	60,529,000	9.68	60,529,000	9.68	-	-
Total	426,631,999	68.26	426,631,999	68.26	-	-

Note:

(1) Based on our enlarged total number of 625,000,000 Shares after our IPO.

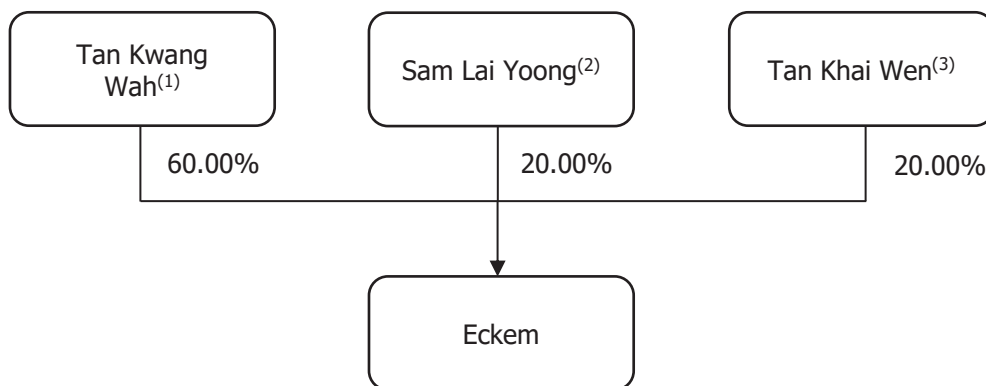
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6. INFORMATION ON OUR GROUP *(Cont'd)*

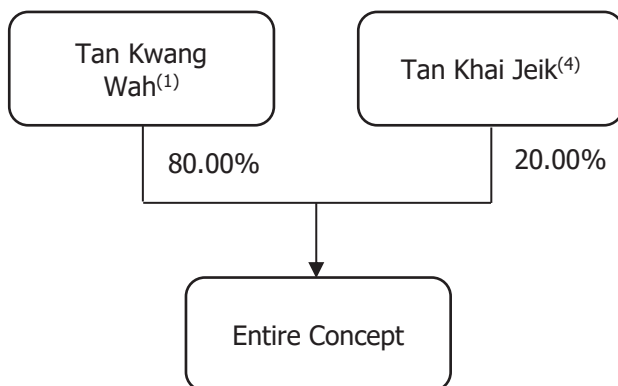
6.1.4 Group structure

(a) Before the Acquisitions and our IPO

Eckem

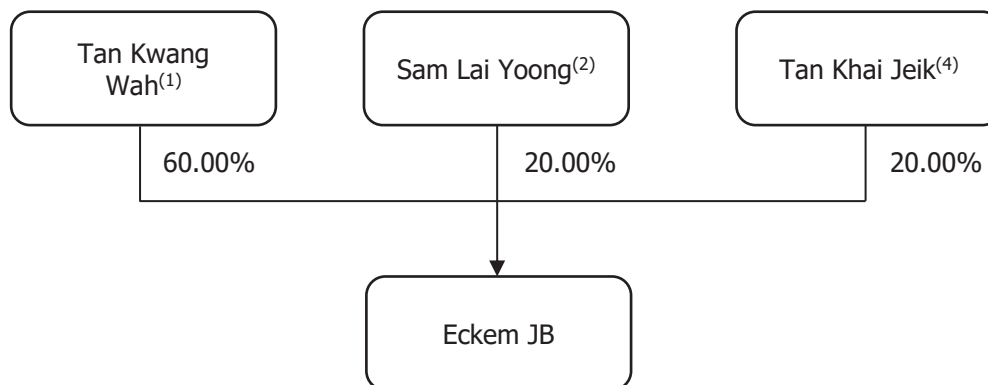


Entire Concept

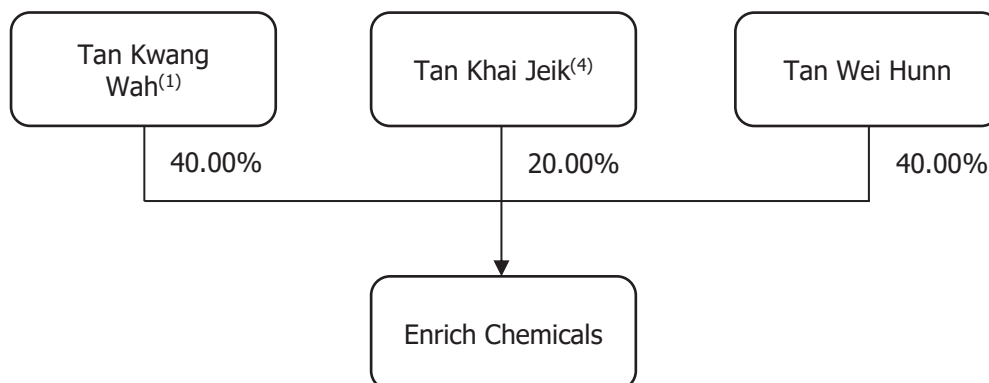


6. INFORMATION ON OUR GROUP (Cont'd)

Eckem JB

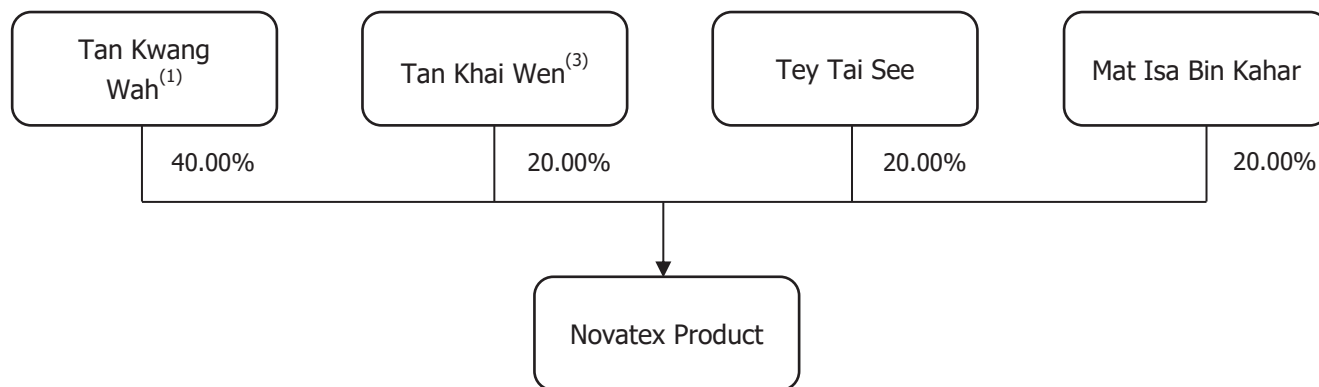


Enrich Chemicals

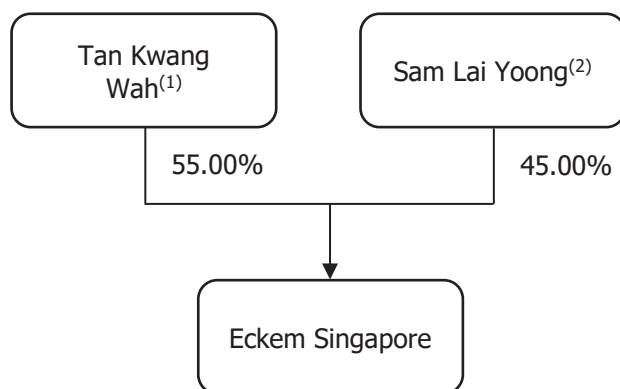


6. INFORMATION ON OUR GROUP *(Cont'd)*

Novatex Product

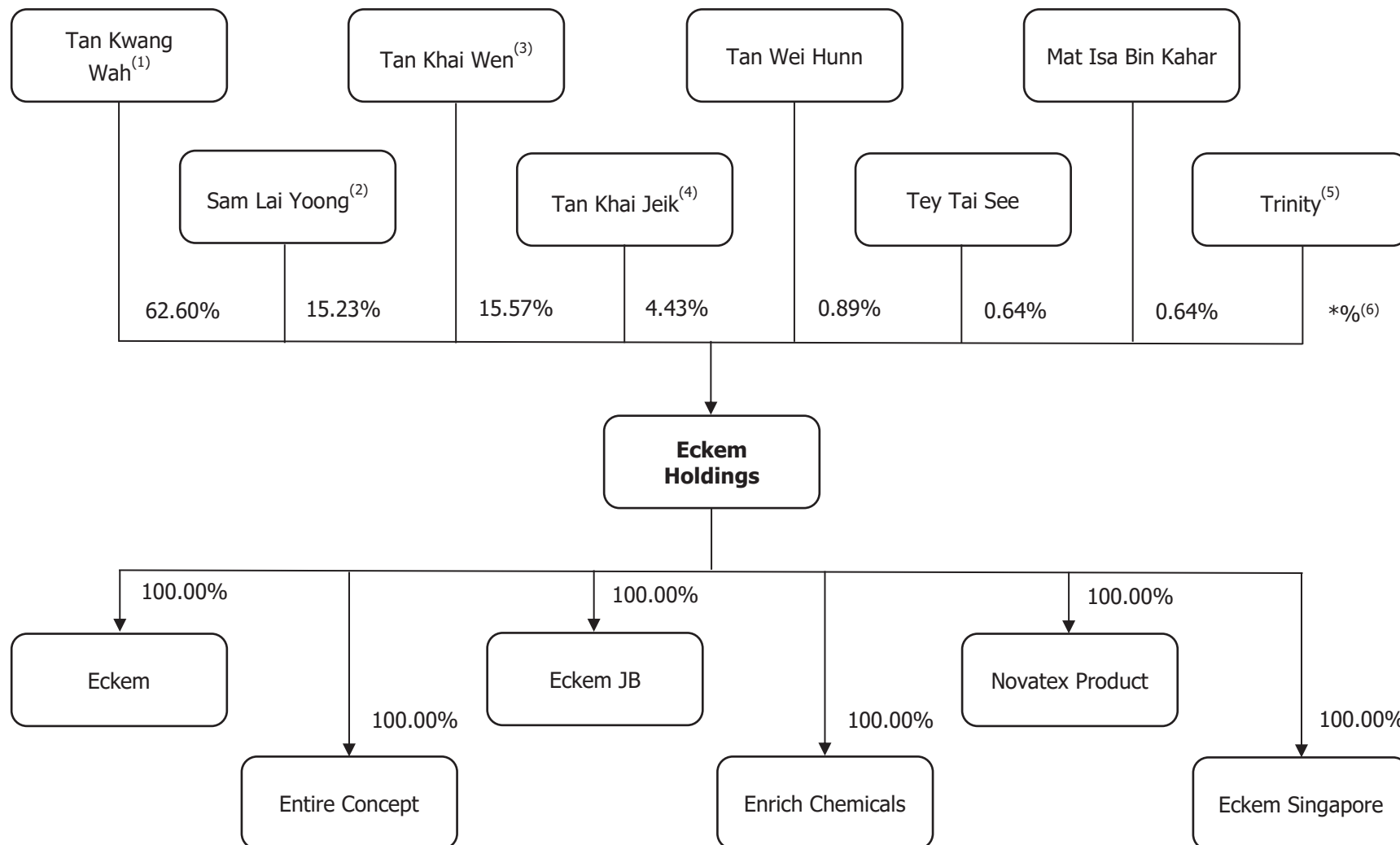


Eckem Singapore



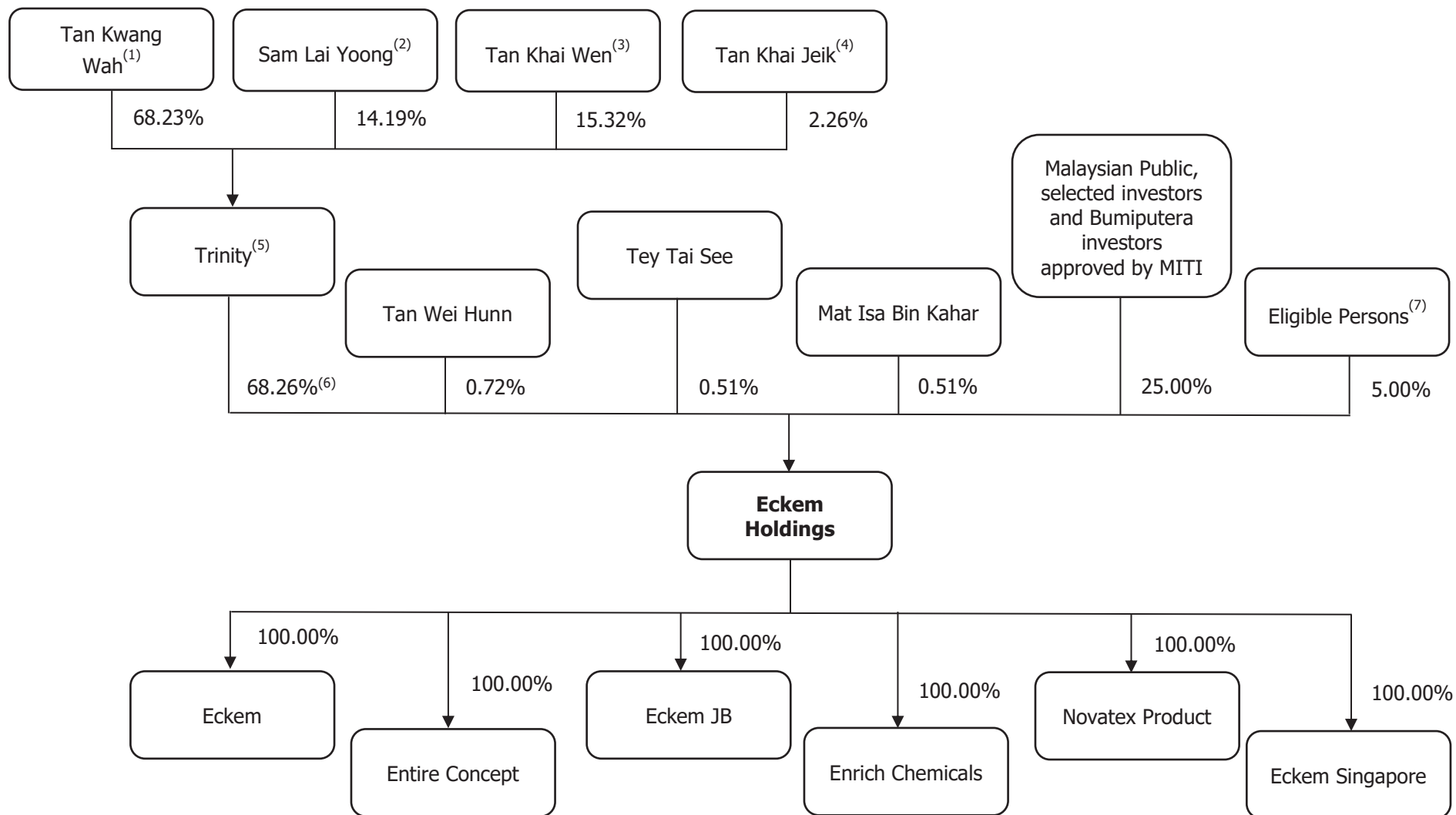
6. INFORMATION ON OUR GROUP (Cont'd)

(b) After the Acquisitions but before our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

(c) After the Acquisitions, the Share Transfer and our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- * Less than 0.01%.
- (1) Tan Kwang Wah is a Promoter, Specified Shareholder, substantial shareholder and Managing Director of our Group. Please refer to Section 5.1.2 (b) of this Prospectus for further information on Tan Kwang Wah.
- (2) Sam Lai Yoong is a Promoter and Specified Shareholder of our Group. Please refer to Section 5.1.2 (e) of this Prospectus for further information on Sam Lai Yoong.
- (3) Tan Khai Wen is a Promoter, Specified Shareholder and Chief Operating Officer of our Group. Please refer to Section 5.1.2 (d) of this Prospectus for further information on Tan Khai Wen.
- (4) Tan Khai Jeik is a Promoter, Specified Shareholder and Executive Director of our Group. Please refer to Section 5.1.2 (c) of this Prospectus for further information on Tan Khai Jeik.
- (5) Trinity is a Promoter, Specified Shareholder and substantial shareholder of our Group. Please refer to Section 5.1.2 (a) of this Prospectus for further information on Trinity.
- (6) Comprises 1 subscriber share issued at RM1.00 per Share to Lau Hooi Pin, a third-party and the initial subscriber, which was transferred to Trinity on 19 August 2025 for a cash consideration of RM1.00 per Share.
- (7) Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.2 OUR SUBSIDIARIES**

As at the LPD, we do not have any associated companies. Further details of our subsidiaries are as follows:

Company	Date/ Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
Entire Concept	9 May 2001/ Malaysia	Malaysia	100.00	Distribution, sales and application formulation of own brands of specialty industrial chemical products
Eckem	11 April 2007/ Malaysia	Malaysia	100.00	Distribution, sales and application formulation of specialty industrial chemical products to key account customers
Eckem JB	25 September 2007/ Malaysia	Malaysia	100.00	Distribution and sales of specialty industrial chemical products in southern region of Peninsular Malaysia
Eckem Singapore	27 August 2015/ Singapore	Singapore	100.00	Trading of specialty industrial chemical products in Singapore
Novatex Product	28 March 2022/ Malaysia	Malaysia	100.00	Manufacturing and trading of rubber products
Enrich Chemicals	3 November 2022/ Malaysia	Malaysia	100.00	Distribution and sales of wood and timber based specialty industrial chemical products

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 MATERIAL CAPITAL EXPENDITURES AND DIVESTITURES****6.3.1 Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for the Financial Periods Under Review and up to the LPD:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 January 2026 up to the LPD
Capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment comprising:					
Factory extension	10	5	-	-	-
Factory equipment	2	8	1	3	-
Computer	15	22	16	5	3
Furniture, fittings and equipment	5	22	6	-	-
Freehold land	4,761	8,938	12,530	-	-
Building	-	-	-	-	-
Motor vehicle	-	140	-	-	-
Office equipment	5	9	10	3	1
Plant and machinery	207	47	55	8	71
Renovation	34	30	-	-	-
Lab equipment	-	12	-	-	-
Work-in-progress	-	179	-	-	-
Sub-total	5,039	9,412	12,618	19	75
Right-of-use assets comprising:					
Factory and warehouse	221	-	440	-	-
Sub-total	221	-	440	-	-
Total	5,260	9,412	13,058	19	75

The above capital expenditures were made in Malaysia and were funded through a combination of internally generated funds, hire purchases and bank borrowings.

In FYE 2022, we incurred capital expenditure of RM5.26 million, mainly comprising:

- RM4.76 million for progress payments for 3 parcels of freehold land located at Lot 86498, Lot 93505 and Lot 93506. Lot 86498 was intended for own use while Lot 93505 and Lot 93506 are intended for the construction of new corporate office, warehouse and laboratory;
- RM0.21 million for plant and machinery in relation to the acquisition of a production line for rubber products that was subsequently installed at Novatex Product's factory in FYE 2023; and

6. INFORMATION ON OUR GROUP (Cont'd)

- RM0.22 million for the rental of factory located at Property No. 13, which was classified as right-of-use asset in FYE 2022.

In FYE 2023, we incurred capital expenditure of RM9.41 million, mainly comprising RM8.94 million for progress payments for 3 parcels of freehold land located at Lot 168659, Lot 168658 and Lot 86498 which were for own use. We further incurred RM0.18 million for work-in-progress, which relates to site preparation and basic infrastructure works carried out by the developer, for 2 parcels of freehold land located at Lot 93505 and Lot 93506 which are intended for the construction of our new corporate office, warehouse and laboratory.

In FYE 2024, we incurred capital expenditure of RM13.06 million, mainly comprising:

- RM12.53 million for progress payments for 3 parcels of freehold land located at Lot 168659, Lot 168658 and Lot 86498; and
- RM0.44 million for the rental of factory located at Property No. 13 and rental of office located at Property No. 17, which was classified as right-of-use asset in FYE 2024.

In FYE 2025, we incurred capital expenditure of RM0.02 million, mainly comprising RM0.006 million for 1 unit of shrink tunnel machine for the packaging of rubber products under Novatex Product.

From 1 January 2026 up to the LPD, we incurred capital expenditure of RM0.08 million, mainly comprising RM0.07 million for 1 unit of universal testing machine.

6.3.2 Material divestitures

Our Group did not make any capital divestitures during the Financial Periods Under Review and up to the LPD.

6.4 PUBLIC TAKE-OVERS

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

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

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5 BUSINESS OVERVIEW**6.5.1 Description of our business**

We are principally involved in the distribution, sales and application formulation of specialty industrial chemical products as well as manufacturing and trading of rubber products.

(a) Distribution, sales and application formulation of specialty industrial chemical products

We are involved in sourcing, distribution and sales of a diversified portfolio of specialty industrial chemical products that are raw materials or intermediaries in the production processes.

The specialty industrial chemical products that we source, distribute and sell are typically for the applications in paints and coatings, construction and building materials, personal protective equipment (PPE), inks, household and personal care, adhesives, automotive coatings and care. We source for these products from third-party brand principals and suppliers that are from overseas or Malaysia. Our third-party brand principals and suppliers are mainly chemical producers.

One of our sales strategies focuses on understanding the specific needs of our customers and providing tailored solutions through our product offerings. Through understanding and getting our customer requirements, we engage in application formulation activities to customise specialised industrial chemical solutions that meet the requirements and applications of our customers that are from various industries. Our in-house chemist and lab assistant also collaborate with our third-party brand principals or suppliers to test out various formulations to achieve the desired results for our customers.

Our customers comprise downstream industrial users in the manufacturing segment which use these specialty industrial chemical products as raw materials or intermediaries in their production processes, compounders and resellers who may resell these specialty chemical products to their customers.

(b) Manufacturing and trading of rubber products

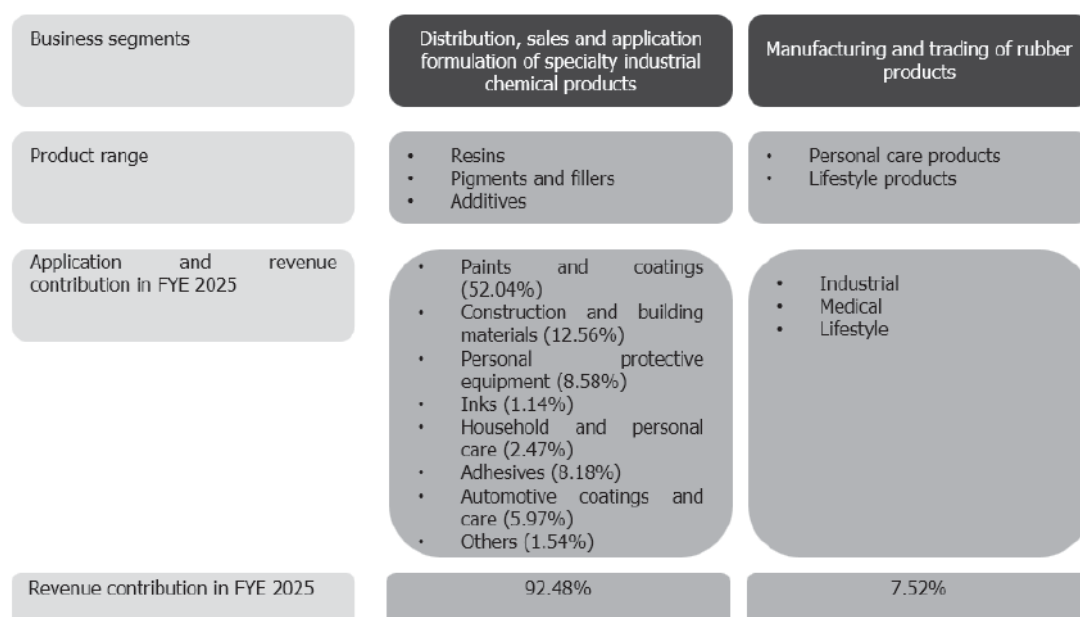
We are involved in the manufacturing of rubber products comprising personal care products such as dental dams, latex sheets, prophylactic (oral) dams as well as lifestyle products such as exercise bands. We also traded rubber products which accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

Our customers comprise manufacturers and traders in Malaysia and overseas.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.1.1 Our business model

Our business model can be illustrated as follows:



6.5.1.2 Our operational facilities

As at the LPD, the location of our head office and operational facilities are as follows:

Subsidiaries	Location	Functions
Eckem and Enrich Chemicals	Property No. 3	Head office and warehouse
Eckem and Eckem JB	Property No. 17	Office and warehouse
Novatex Product	Property No. 13	Manufacturing of rubber products
Entire Concept	Property No. 19	Office, warehouse and laboratory
Eckem Singapore	105 Cecil Street, #22-25, The Octagon, Singapore 069534	Registered office in Singapore

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.2 Our products**(a) Distribution, sales and application formulation of specialty industrial chemical products**

We have 2 principal lines of business operations, namely:

- (i) outright distribution and sales of specialty industrial chemical products from third-party brand principals and suppliers that accounted for 71.50%, 78.82%, 80.03% and 82.90% of our revenue in the FYE 2022, FYE 2023, FYE 2024 and FYE 2025; and
- (ii) distribution and sales of our own brands of specialty industrial chemical products that accounted for 28.28%, 18.12%, 13.00% and 9.58% of our revenue in the FYE 2022, FYE 2023, FYE 2024 and FYE 2025.

With respect to the outright sales of specialty industrial chemical products from third-party brand principals and suppliers, we primarily sell these to our customers based in Malaysia and Singapore. As part of this business segment, we undertake product sampling, application formulation, warehousing and logistics.

We source specialty industrial chemical products from overseas, namely Germany, USA, UK, Spain, Sweden, Netherlands, India, Singapore, Taiwan, Indonesia, and China, as well as Malaysia. Our trading business offers an all-inclusive approach to assist our customers to purchase specialty industrial chemical products from overseas, application formulation, warehousing and logistics as well as after-sales customer service. Once we accept and confirm purchase orders from our customers, we will place the corresponding purchase orders with our third-party brand principals and suppliers in the event we do not have sufficient inventories to fulfil the orders from customers. In the event that we have sufficient inventories to fulfil the orders from customers, we will issue the delivery order to our warehouse team to pack and arrange delivery to our customers. We typically maintain 3 to 6 months of high demand and widely used specialty industrial chemical products in inventory as this enables us to provide supply to our customers in a timely manner. We will be responsible for handling all the communication and matters relating to logistics and delivery as well as after-sales customer service.

Our specialty industrial chemical products cater to the requirements of a wide range of customers from multiple industries and multiple end-use applications. As at the LPD, we do not source specific specialty industrial chemical products to cater for specific customers.

We distribute a wide range of specialty industrial chemical products under third-party brands, which can be summarised into 3 main categories as follows:

(aa) Resins

Resins are a class of compounds that typically form a solid substance when cured from a liquid or soft state. They are commonly used in industrial applications due to their adhesive, insulating and mechanical properties.

They are also widely used as binders in various paints and coatings that are used for the automotive, commercial, industrial and architectural purposes. Acrylic resins provide durability, weather resistance, gloss retention and UV stability to exterior paints and coatings. They are used in printing inks for packaging, labels and commercial printing.

6. INFORMATION ON OUR GROUP (Cont'd)

Resins also serve as key components in adhesive formulations where they provide strong bonding properties suitable for applications in construction, semiconductors, packaging, industrial and other commercial industries. Epoxy resins are used in structural adhesives for bonding metals, composites and plastics.

Resins are also used to provide structural integrity and impact resistance. Polyurethane resins are used in hard helmet shells and body armour for impact protection.

The type of the resins that we distribute, among others, are as follows:

- Acrylic resin
- Alkyd resin
- Amino resin
- Emulsion
- Epoxy hardener
- Epoxy resin
- Isocyanate
- Maleic resin
- Melamine resin
- Polyamide resin
- Polyurethane resin
- Styrene-butadiene rubber (SBR) latex
- Unsaturated polyester resin
- UV oligomers

(bb) Pigments and fillers

Pigments are substances that impart colour to other materials. They can be organic or inorganic and are finely ground to achieve dispersion in various media without dissolving. Pigments differ from dyes in that they are insoluble and require a binder to adhere to surfaces.

They provide colour, opacity and UV protection to paints and coatings that are used in automotive, commercial, industrial and architectural purposes.

The type of pigments that we distribute, among others, are as follows:

- Bronze pigments
- Carbon black
- Organic pigments
- Ultramarine blue
- Inorganic pigments

Fillers are materials added to other substances to increase volume, alter physical properties or reduce cost. They improve the strength, stiffness and durability of composites and polymers. Fillers also provide texture, absorbency and bulk in soaps, detergents and personal care products.

They are used in paints and coatings to modify viscosity, improve scratch resistance and enhance mechanical properties. They are also used to enhance strength and impact resistance where they reinforce composite materials used in PPE. They are also used in polishing compounds and ceramic coatings

6. INFORMATION ON OUR GROUP (Cont'd)

for automotive care where they help remove fine scratches, enhance shine and protect the automotive paintwork.

The type of fillers that we distribute, among others, are as follows:

- Barium sulphate
- Calcined china clay
- Precipitated silica
- Synthetic iron oxide
- Titanium dioxide
- Transparent iron oxide
- Zinc stearate

(cc) Additives

Additives are substances added in small quantities to improve or modify the properties of another material. They can enhance performance, durability, processing characteristics or appearance of the base material. Additives are crucial in optimising product quality and ensuring specific functional requirements are met. They are also used as preservatives in various products to extend their shelf life.

The type of the additives we distribute, among others, are as follows:

- Antimicrobial agent
- Antioxidants
- Antiskinning agent
- Biocides
- Coalescing agent
- Dibutyltin dilaurate
- Defoamer
- Dispersant
- Driers
- Fumed silica
- Matting agent
- Organoclay
- Photoinitiators
- Powder coating additives
- Polyurethane thickener
- UV absorber/light stabiliser
- Wetting agent

Our customers comprise downstream industrial users in the manufacturing segment who use these specialty industrial chemical products as raw materials or intermediaries in their production processes, compounders and resellers who may resell these specialty industrial chemical products to their customers. From time to time, some of our customers may require specific brands of specialty industrial chemical products which we are able to supply them according to their requirements. However, our customers generally do not specify the desired brands for the products that they place orders for.

6. INFORMATION ON OUR GROUP (Cont'd)

The specialty industrial chemical products that we distribute under third-party brands and the territories in which we are authorised to distribute are as set out below:

Brand	Brand principal and country of origin	Territory	Product category	End use application	Year of appointment
BASF ⁽¹⁾	BASF SE, Germany	Malaysia	Resins and additives	- Automotive coatings and care - Architectural coatings - Construction and building materials - Industrial coatings - Inks - Rubber gloves - Household care - Ceramic	⁽⁴⁾ 2013
Worlee	Worlée-Chemie GmbH, Germany	Malaysia	Resins, pigments and additives	- Construction and building materials - Paints, coatings and lacquers - Inks - Wood protection - Industrial coatings - Adhesives - Powder coatings - Personal care and cosmetics	⁽⁴⁾ 2023
Wacker	Wacker Chemie AG, Germany	Malaysia	Additives	- Construction and building materials - Industrial coatings - Agriculture - Automotive coatings and care	⁽⁴⁾ 2023
Lanxess ⁽²⁾	Lanxess AG, Germany	Malaysia	Additives	- Biosecurity solutions - Microbial control - Paints and coatings - Rubber	⁽⁴⁾ 2024

6. INFORMATION ON OUR GROUP (Cont'd)

Brand	Brand principal and country of origin	Territory	Product category	End use application	Year of appointment
				• Colourants	
Ingevity	Ingevity Corporation, USA	Malaysia	Resins	• Coatings • Construction	⁽⁴⁾ 2024
BLJ ⁽³⁾	Shanghai Baolijia Chemical Co. Ltd., China	Malaysia and Singapore	Resins	• Coatings • Construction and building materials	⁽⁴⁾ 2024
IGM	IGM Resins B.V., Netherlands	Malaysia	Resins and additives	• Coatings • Inks	⁽⁴⁾ 2024

Notes:

⁽¹⁾ Please refer to Section 6.5.15 (a) of this Prospectus for the details of BASF SE distributorship letter.

⁽²⁾ Please refer to Section 6.5.15 (b) of this Prospectus for the details of Lanxess distributorship letter.

⁽³⁾ Please refer to Section 6.5.15 (c) of this Prospectus for the details of BLJ distributorship letter.

⁽⁴⁾ The distributorship rights will remain in effect unless terminated by either us or our suppliers.

We also distribute our own brands of specialty industrial chemical products under the brands, namely Quantum Polymer, Premier Resin and Imperial Colour. We began marketing and distributing our own brands of specialty industrial chemical products since 2015. For clarity, our Group's own brands of specialty industrial chemical products do not compete or overlap with the specialty industrial chemical products from third-party brand principals and suppliers that we distribute.

The specialty industrial chemical products that we market under Quantum Polymer, Premier Resin and Imperial Colour are based on formulations developed by our in-house chemist and lab assistant together with our contract manufacturers, while the manufacturing of these specialty industrial chemical products is carried out by contract manufacturers overseas and locally.

6. INFORMATION ON OUR GROUP (Cont'd)

For clarity, the formulations developed by our in-house chemist and lab assistant together with our contract manufacturers are for our own brands of specialty industrial chemical products that we market for different end-user applications. Based on the requirements of our customers, we will source and assess specialty industrial chemical products from our third-party brand principals, suppliers or contract manufacturers that meet their requirements. In the event there are no readily available specialty industrial chemical products that meet the requirements of our customers, we will then leverage on our in-house chemist and lab assistant, together with our contract manufacturers, to develop suitable formulations of specialty industrial chemical products which are then manufactured by our contract manufacturers. As at the LPD, we have not entered into any ownership agreements with our contract manufacturers and have not experienced any disruption in the supply of our own brands of specialty industrial chemical products.

From time to time, our in-house chemist and lab assistant also develop application formulations for the specific requirements of customers using third-party and our own brands of specialty industrial chemical products when we receive such requests from our customers. In such cases, our in-house chemist and lab assistant collaborate with our third-party brand principals and suppliers to test out the existing application formulations to achieve the desired results and specifications for our customers.

We have a total of 3 contract manufacturers comprising 1 contract manufacturer from China, Taiwan and Malaysia respectively. We source different types of specialty industrial chemical products from our various contract manufacturers whereby we source:

- Imperial Colour range of specialty industrial chemical products from Xinxiang Highland Pigments Co., Ltd.;
- Premier Resin specialty industrial chemical products from Supplier A; and
- Quantum Polymer specialty industrial chemical products from BLJ (Malaysia) Sdn Bhd.

Our purchase of specialty industrial chemical products from our contact manufacturers are on a purchase order basis and we do not have any agreements with them as our volume of purchases are still relatively low. Further, when we purchase on a purchase order basis as and when we need to replenish our inventories, we are not bound by volume requirements that contract manufactures may impose if we enter into agreements with them. It is generally an industry norm to engage contract manufacturers without entering into agreements with them when the volume of purchases is relatively low.

In the event of a dispute, we are able to source for specialty industrial chemical products from other contact manufacturers and is therefore not dependent on any of our contract manufacturer. Before discontinuing any existing contract manufacturers, we will build up our inventory of specialty industrial chemical products, typically equivalent to a 12-month supply, while identifying and pre-qualifying a new contract manufacturer. The process of identifying and pre-qualifying a new contract manufacturer generally takes up to 3 months. To ensure minimal disruptions to our operations and financial performance during the transition period, we will maintain sufficient inventory from our existing contract manufacturer to prevent any impact on sales to our customers.

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

We generally maintain inventories of 3 to 6 months for our own brands of specialty industrial chemical products based on historical sales orders from our customers. This enables us to leverage on our internal inventories to promptly supply our own brands of specialty industrial chemical products to customers once we receive their respective purchase orders.

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6. INFORMATION ON OUR GROUP (Cont'd)

The specialty industrial chemical products that we distribute under our brands are as follows:

Brands	Product category / Type of products	Application
Quantum Polymer 	Resins Emulsion	Used as binders in various paints and coatings that are used for the automotive, commercial, industrial and architectural purposes
Premier Resin 	Resins Acrylic resin	Printing inks for packaging, labels and commercial printing
Imperial Colour 	Pigments - Dyestuff - Organic pigments - Inorganic pigments	Provides colour, opacity and UV protection to paints and coatings that are used in automotive, commercial, industrial and architectural purposes

6. INFORMATION ON OUR GROUP (Cont'd)

Our Group's revenue contribution from the sales of third-party brands and our own brands of specialty industrial chemical products are as follows:

Product segment	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution, sales and application formulation of specialty industrial chemical products								
• Third party brands	30,674	71.66	29,283	81.31	35,160	86.03	32,052	89.64
• Own brands	12,132	28.34	6,732	18.69	5,711	13.97	3,703	10.36
Total	42,806	100.00	36,015	100.00	40,871	100.00	35,755	100.00

Revenue from our own brands of specialty industrial chemical products has been declining from FYE 2022 to FYE 2025, primarily due to slower demand for paints and coatings used in construction and refurbishment, arising from competition and price pressures from other paints and coatings brands, particularly those from China.

(b) Manufacturing and trading of rubber products

In 2022, we commenced trading operations by selling rubber product samples to potential customers for trial purposes and began manufacturing rubber products in 2023 at our factory at Property No. 13 where we have 1 production line installed. As at the LPD, we no longer trade rubber products from external manufactures as we have developed in-house manufacturing capabilities for rubber products.

**Our manufacturing factory****Our production line**

In FYE 2023, we commenced manufacturing of rubber products. The rubber products that we manufacture comprise personal care products such as dental dams, latex sheets, prophylactic (oral) dams as well as lifestyle products such as exercise bands. We are contract manufacturer of such products for other companies who will market

6. INFORMATION ON OUR GROUP (Cont'd)

and sell these products under their own brand names. We also market our products under our own brands such as Novadam and Novadam V (dental dams) as well as Novaband (exercise bands).

Type of rubber products	Description	Application
 Dental dams	Dental dams are thin, flexible sheets made from natural rubber latex. They are typically flavoured and coloured as well as may have powdered or powder-free options.	Dental dams are used in dentistry to isolate the operative site (teeth or gums) from the rest of the oral cavity during dental procedures. They prevent contamination and provide a dry, sterile field for treatment, such as cavity fillings or root canal procedures.
 Latex sheets	Latex sheets are thin, elastic sheets made from natural rubber latex. They are available in various thicknesses, colours, and textures.	Latex sheets have multiple applications. They are used to make latex clothing such as dresses, tops, skirts and leggings. They are also used in medical applications where latex sheets can be used for making prosthetic devices and support garments due to their stretchability and hypoallergenic properties. Latex sheets are also used in crafts and do-it-yourself (DIY) projects for creating moulds, latex masks, and decorative items due to their flexibility and durability.

6. INFORMATION ON OUR GROUP (Cont'd)

Type of rubber products	Description	Application
 Prophylactic (oral) dams	Prophylactic (oral) dams are thin sheets made from natural rubber latex or other materials like polyurethane. They are typically flavoured and are available in different sizes.	Prophylactic (oral) dams are primarily used as a barrier method during oral sex to reduce the risk of sexually transmitted infections (STIs) and the transmission of other bodily fluids. They provide a protective barrier over the genital or anal area, allowing safer oral-genital contact.
 Exercise bands	Exercise bands, also known as resistance bands or fitness bands, are stretchable bands typically made from natural rubber latex or synthetic latex alternatives. They come in various lengths, widths, and resistance levels.	Exercise bands are used in fitness and physical therapy settings for strength training, rehabilitation and home workouts.

We also traded rubber products which accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

6.5.3 Mode of operations**(a) Distribution, sales and application formulation of specialty industrial chemical products**

The principal terms of sales of specialty industrial chemical products that we typically enter into with our customers include:

Principal terms	Description
Product order details	The purchase order sets out the type of specialty industrial chemical products, quantity, unit price and total purchase amount

6. INFORMATION ON OUR GROUP (Cont'd)

Principal terms	Description
Delivery	We shall be responsible for the delivery of specialty industrial chemical products, along with the applicable certificates of analysis, to the warehouses or locations designated by our customers
Credit terms	Ranging from 30 to 90 days
Return, exchange or refund of chemicals (i.e. product warranty)	For the specialty industrial chemical products from third-party brand principals and suppliers, we may arrange for return or exchange if there is a product quality problem affecting the specialty industrial chemical products on a case-to-case basis and back-to-back basis with suppliers in the event the products do not conform to the parameters indicated in the certificate of analysis provided by our suppliers and prior to the expiry of the product as indicated in the certificate of analysis. In certain circumstances, we may also offer refund to our customers (upon receiving refund from our suppliers) if the specialty industrial chemical products do not meet the quality standards. Similarly for our own brands of specialty industrial chemical products, we provide returns or exchanges on a case-to-case basis and back-to-back basis with suppliers in the event the products do not conform to the parameters indicated in the certificate of analysis provided by our suppliers and prior to the expiry of the product as indicated in the certificate of analysis. In such instances, the cost of refund will be borne by our contract manufacturers.
Liability of breach of contract	We shall be responsible for the quality of specialty industrial chemical products and our customers shall be responsible timely payment

(b) Manufacturing and trading of rubber products

The principal terms of sales of our manufactured rubber products that we typically enter into with our customers include:

Principal terms	Description
Product order details	The purchase order sets out the type of rubber products, quantity, unit price and total purchase amount
Delivery	We shall be responsible for the delivery of rubber products, along with the applicable certificates of analysis, to the warehouses or locations designated by our customers

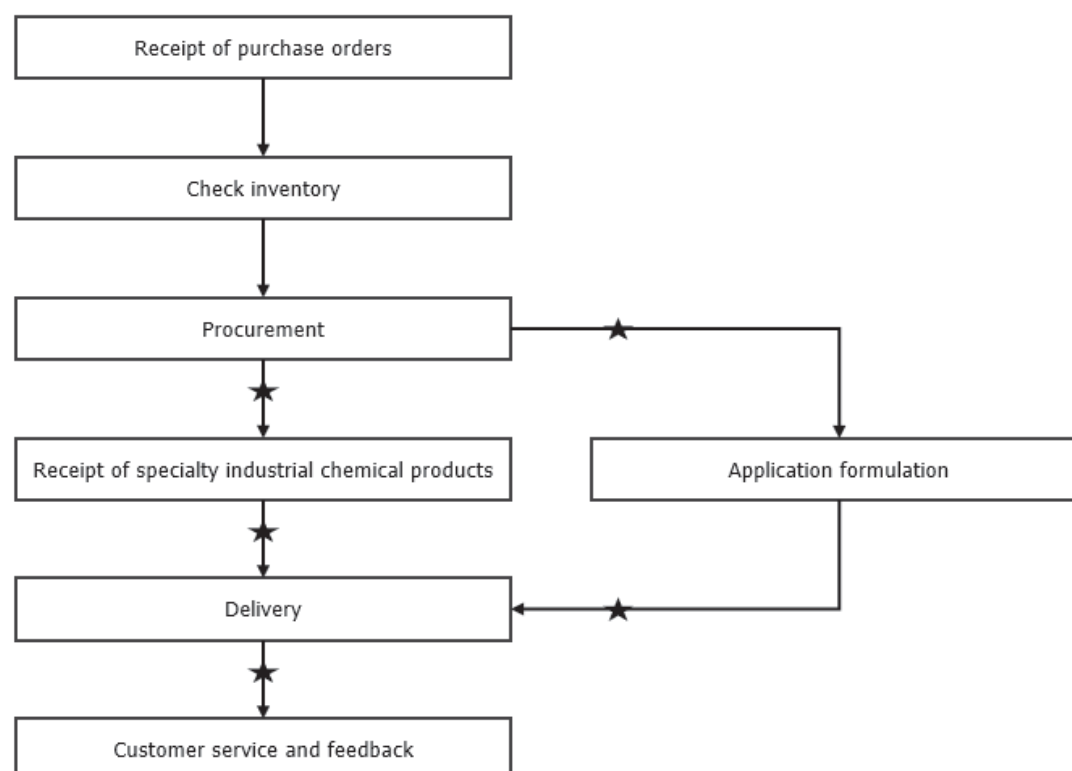
6. INFORMATION ON OUR GROUP (Cont'd)

Principal terms	Description
Payment terms	50% of payment is due upon order confirmation and the remaining 50% is due before delivery
Return, exchange or refund of rubber products (i.e. product warranty)	We may arrange for return or exchange if there is a product quality problem affecting the rubber products on a case-to-case basis in the event the products do not conform to the parameters indicated in the certificate of analysis provided by our Group to our customers and prior to the expiry of the product as indicated in the certificate of analysis

The sales of our rubber products that were sourced from third parties in FYE 2022 and FYE 2023 were transacted on a cash basis, whereby the delivery of the rubber products to the warehouses or locations designated by our customers was made upon receipt of full payment.

6.5.4 Business processes**6.5.4.1 Distribution, sales and application formulation of specialty industrial chemical products**

We adopt the following process flow for the distribution and sales of specialty industrial chemical products:

**Legend**

★ QC

6. INFORMATION ON OUR GROUP (Cont'd)

Receipt of purchase orders

We receive enquiries for specialty industrial chemical products from both new and existing customers. Upon receiving customers' enquiries, our sales and marketing team will communicate with our customers to obtain further order details such as product types, quantity of products as well as delivery schedule.

Before issuing the quotations to our customers, we will check our inventory levels. Generally, we will keep 3 to 6 months of high demand and widely used specialty industrial chemical products in inventory to ensure prompt and continuous supply to our customers.

We will also obtain quotations for specialty industrial chemical products from our third-party brand principals and suppliers to better manage the pricing of our products.

Upon finalisation of negotiations with our customers on matters such as pricing and payment terms, our customers will issue the necessary purchase orders outlining the product details and quantity required as well as delivery details. Thereafter, we will proceed to prepare the sales confirmation to the customer.

If we have sufficient quantities of specialty industrial chemical products in our warehouses to fulfil the orders, we will issue the delivery order to our warehouse team to pack and arrange delivery to our customers.

Check inventory

Our purchasing team will continuously update our inventory levels of specialty industrial chemical products from third-party brand principals and suppliers and/or our own brands based on the:

- orders received from our customers; and
- incoming inventory of specialty industrial chemical products from third-party brand principals and suppliers as well as our contract manufacturers.

Procurement

If we do not have sufficient quantities of specialty industrial chemical products from third-party brand principals and suppliers, our purchasing team will source the necessary specialty industrial chemical products from our third-party brand principals and suppliers.

If we do not have sufficient quantities of our own brands of specialty industrial chemical products, our purchasing team will issue a purchase order for the necessary specialty industrial chemical products from our third-party brand principals and suppliers overseas and locally, and deliver the specialty industrial chemical products to the contract manufacturers for the production of our own brands of specialty industrial chemical products.

As we source specialty industrial chemical products from our third-party brand principals, suppliers and contract manufacturers overseas and locally, the delivery time varies depending on the production or warehouse locations of our third-party brand principals, suppliers and contract manufacturers.

6. INFORMATION ON OUR GROUP (Cont'd)

We typically receive deliveries of specialty industrial chemical products from our third-party brand principals, suppliers and contract manufacturers within the delivery periods as follows:

Region	Delivery period
Within Malaysia	1 to 2 weeks
Asia (excluding Malaysia)	4 to 12 weeks
Europe	12 to 16 weeks
Americas	12 to 16 weeks

Generally, we place orders with our third-party brand principals, suppliers and contract manufacturers based on the purchase orders received from our customers and the inventory level of the high demand and widely used specialty industrial chemical products. The purchase orders that we place with our third-party brand principals, suppliers and contract manufacturers will set out details on purchase quantity, price, delivery arrangement as well as credit terms.

The prices of specialty industrial chemical products are usually dictated by market prices and may fluctuate from time to time. Accordingly, the purchase price for specialty industrial chemical products may fluctuate from time to time.

Receipt of specialty industrial chemical products

QC process: Upon receiving the specialty industrial chemical products from our third-party brand principals, suppliers and contract manufacturers, we will conduct QC inspection on the product type, quantity and quality to ensure all products received are in accordance with the purchase order and are in good condition. We will further compile the certificates of analysis for the products received and perform visual inspection to ensure there are no physical damage to the barrels, drums and IBC packaging of the specialty industrial chemical products. All our QC processes for the distribution and sales of specialty industrial chemical products are undertaken by our in-house chemist and lab assistant.

If the products received are damaged or have defects, we will return the products to the supplier and they will arrange for replacements.

In the event that the product type or quantity sent to us is not according to the purchase order, we will highlight these matters to the supplier and rectifications will be made to ensure that the correct orders are made to us.

Application formulation

Based on certain requests and requirements from customers as well as market demands, we engage in application formulation activities to customise specialised industrial chemical solutions to meet the requirements and applications of our customers and that of market demands. Our in-house chemist and lab assistant collaborate with our third-party brand principals and suppliers to test out the existing application formulations to achieve the desired results and specifications for our customers. The team also works on enhancing the existing application formulations to improve product performance, durability and sustainability.

QC process: We will produce a small batch of samples and perform QC tests to assess whether the performance and characteristics of the batch meet our customers' requirements and that of us. We will also inform customers if the application formulation is feasible.

6. INFORMATION ON OUR GROUP (Cont'd)

At this point, we will also determine our selling price, in reference to our costs, as well as prevailing market prices of competing or similar products.

Delivery

For specialty industrial chemical products that are delivered from our warehouse, we will ensure that the barrels, drums and IBC containing the specialty industrial chemical products are labelled correctly and accurately to avoid confusion. For overseas delivery, the barrels, drums and IBC will be shrink wrapped together with the pallets for loading.

As we typically keep 3 to 6 months of high demand and widely used specialty industrial chemical products in inventory, we are generally able to arrange for delivery to local customers or to customers in Singapore within 3 to 4 days from the date of purchase order. In the event that we do not have sufficient quantities of specialty industrial chemical products in inventory, we will ensure that the products are delivered to local customers or to customers in Singapore within 4 to 5 days upon receipt of the products from procurement and completion of QC inspection.

We rely on third-party logistics service providers to deliver the orders to our customers in Malaysia and Singapore.

Upon delivery and acknowledgment of receipt of the products, our customers shall make payment to us within 30 to 90 days from the date of invoice of the products, as the case applies. We will issue the corresponding commission payments to referrers who have introduced business to us at this stage.

Customer service and feedback

Customer service and feedback is a vital part of our Group's after-sales customer service. In order to ensure that our customers are correctly and effectively using and/or marketing our products, our sales and marketing team is available to answer any questions, technical or otherwise, that our customers may have.

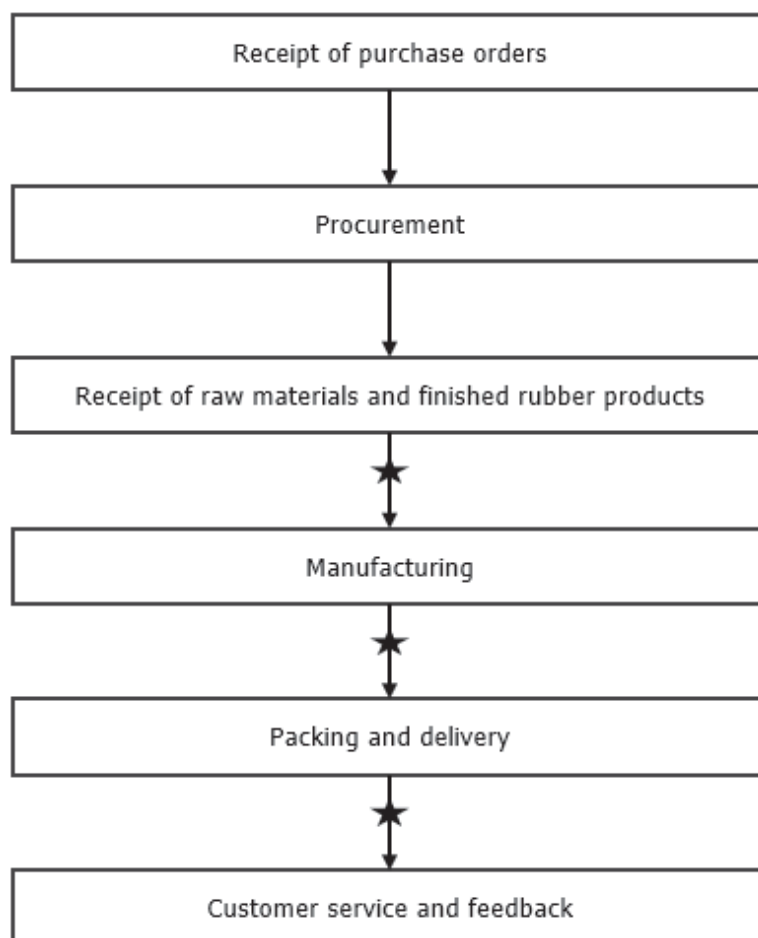
We value our customers' feedback as we believe this will help us to further improve our services and sustain long-term business relationships with our customers. All customer complaints are handled by our representatives, which involve discussion with the relevant departments and follow-up with the customers directly in order to resolve any quality issues in a timely and effective manner. We will collect a sample of the defective specialty industrial chemical products from our customers for our internal testing. If the products are defective, we will claim against the respective third-party brand principals, suppliers or contract manufacturers to compensate the customers.

Similarly, any quality issues in relation to the specialty industrial chemical products shall be raised with the respective third-party brand principals, suppliers or contract manufacturers in the event that the quality issues are due to defective specialty industrial chemical products supplied by them. We will provide the serial identification number to our third-party brand principals, suppliers or contract manufacturers for their internal quality checking. In the event that the product quality problems are due to defective materials, we will request the respective party to bear the costs of replacement.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.4.2 Manufacturing and trading of rubber products

We adopt the following process flow for the manufacturing and trading of rubber products:



Legend

★ QC

Receipt of purchase orders

Our sales and marketing team is responsible for approaching prospective customers to introduce our range of products, negotiations and secure new purchase orders from them. We also receive orders from interested customers through our website, email and phone.

Our sales and marketing team will issue the invoice to customers based on their orders.

Procurement

For our manufacturing of rubber products business, we typically stored at least 3 to 6 months of inventory to ensure that we have sufficient raw materials to meet our customers' needs.

Under our standard credit terms for our manufacturing of rubber products business, we require customers to make an initial payment, typically 50.00% of the total invoice amount, which will be used for the procurement of raw materials in the event that our inventories are

6. INFORMATION ON OUR GROUP (Cont'd)

not kept at certain levels. Our purchasing team will determine the inventory levels of our raw materials and, if necessary, source the necessary raw materials from our suppliers.

For our trading of rubber products business, we will purchase the finished rubber products from our suppliers based on the purchase orders received from our customers.

The delivery time for each supplier varies depending on the production or warehouse location of our suppliers. The purchase orders that we place with our suppliers will set out details on purchase quantity, price, delivery arrangement as well as credit terms.

The prices of raw materials and finished rubber products that we use are usually dictated by market prices and may fluctuate from time to time.

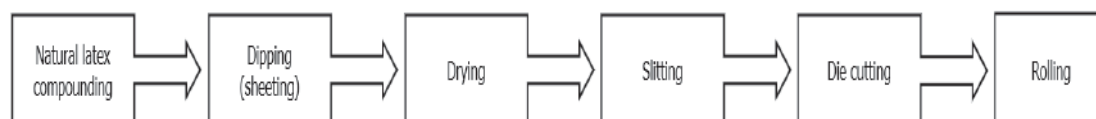
Receipt of raw materials and finished rubber products

QC process: Upon receiving raw materials such as natural rubber latex and specialty industrial chemical products, or finished rubber products, we will conduct quality inspection to ensure all raw materials and finished rubber products received are in accordance with the purchase order and are in good condition.

In the event that the quantity of raw materials or finished rubber products received are not according to the purchase orders, we will highlight the matters to the suppliers and rectifications will be made to correct the orders. In the cases of defects of raw materials or finished rubber products received, we will arrange for the raw materials or finished rubber products to be sent back to the suppliers and they will have them replaced.

Manufacturing

The manufacturing of rubber products is as follows:



Natural latex compounding

The natural rubber latex will undergo an initial filtration process to remove impurities. It is then concentrated to remove excess water, making it more efficient for further processing.

The latex is compounded with various additives to achieve specific desired properties. Common additives include:

- Vulcanising agents: To help enhance strength and elasticity.
- Fillers: To improve tear resistance wear.
- Antioxidants: To protect against degradation.
- Processing aids: Improve flow characteristics for shaping during dipping.
- Pigments (optional): Add colour for specific applications.
- Flavourings (optional): Add flavour for specific applications.

The applicable additives are mixed with the natural rubber latex in the mixers which ensures that all the additives are thoroughly and evenly dispersed throughout the latex mixture.

6. INFORMATION ON OUR GROUP (Cont'd)**Dipping (sheeting)**

The compounded latex is then shaped into sheets using a technique called dipping. A mould shaped like the final product (e.g. dental dam) is dipped repeatedly into the latex to build up the desired thickness. The latex coats the mould and is allowed to dry slightly between dips. The number of dips determines the final thickness of the latex sheet.

This process is ideal for creating rubber products with intricate shapes or specific thicknesses in different areas.

Drying

After dipping, the latex-coated moulds are sent for drying to remove excess moisture. The drying method depends on the thickness of the latex sheet and desired properties:

- Air drying: Thicker sheets are often hung in controlled temperature and humidity chambers for slow drying.
- Oven drying: Faster drying is achieved using heating chambers, where precise temperature control is necessary to avoid over-drying and compromising the properties of the latex.

After drying, the latex sheets undergo vulcanisation. This process uses heat and specific chemicals to create cross-links between rubber molecules, making the final rubber product stronger and more elastic with desired properties.

After the latex sheets have been formed, vulcanised and dried, they are stripped from their moulds and then optionally powdered.

Some of our products may undergo a secondary cleaning and drying process to remove any impurities. We use an industrial washing machine to carry out this process for customers that have this requirement.

Slitting

Once dry and cured, the latex sheets are fed through a slitting machine. This machine uses sharp blades to cut the wide latex sheets into narrower rolls or strips depending on the final rubber product requirements.

Die cutting

This process involves using a sharp metal die to punch out individual pieces from the latex sheet.

This process is efficient for the high-volume production of identical shape products.

Rolling

Depending on the final rubber product, the slit or die-cut latex sheets might be rolled for storage or further processing. For instance, exercise bands will be rolled for packaging while personal care products such as dental dams will not be rolled and require individual packaging.

QC

QC is crucial throughout the manufacturing process to ensure the final rubber product meets the required safety and performance standards. Throughout each process, specifically natural latex compounding, dipping (sheeting), drying, slitting, die cutting and rolling, we conduct QC

6. INFORMATION ON OUR GROUP (Cont'd)

checks on a sampling basis to test latex sheets based on the specifications for thickness, strength, and other parameters such as colour and visual appearance.

Our QC processes are carried out by the QC executive of Novatex Product.

Packing and delivery

The finished rubber products (rolls or individual pieces) are then packed in pouches or blister packs according to the product requirements. The packed rubber products will then be stored under controlled conditions to maintain their quality and prevent degradation.

As an additional step, some rubber products might undergo shrink wrapping for added protection during transportation or storage.

Prior to delivery, we will conduct a pre-inspection check to ensure that there are no visible defects or damage on the product packaging before we pack them into larger boxes or containers to be delivered or shipped to our customers. For overseas delivery, the boxes or containers will be placed in crates for protection and shrink wrapped together with the pallets for loading in shipping containers.

We will arrange for delivery to local customers or to port for export upon receiving the final payment from our customers. We rely on third-party logistics service providers to deliver the orders to our customers or to port.

Customer service and feedback

Customer service and feedback is a vital part of our Group's after sales service. We have adopted a policy for handling product complaints received from our customers. If our customers have feedback or complaints regarding the quality of our products, they may contact our sales and marketing team, who will record details of such feedback or complaints, and the relevant departments, such as production, QC and purchasing, will be notified of such complaints and relevant corrective or remedial measures will be implemented when necessary. For any defective products delivered to our customers, we will recall these products and replace them for our customers.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.5 Technologies used or to be used**

We use the following software in our business operations:

Software	Description
AutoCount	AutoCount is a business management software which has accounting, inventory, payroll and sales modules to automate accounting, inventory tracking, salary processing and lead generation functions

Our manufacturing operations involve the following manufacturing techniques:

Manufacturing technique	Description
Compounding	The process of adding various additives to latex to modify its properties and create a specific product. This process involves blending latex with other materials such as vulcanising agents, fillers, antioxidants, processing aids, pigments and flavourings to achieve desired characteristics of the final product
Dipping	The process of shaping compounded latex into sheets using a mould resembling the final product
Slitting	The process of cutting wide latex sheets into narrow rolls or strips using a slitting machine
Die cutting	The process of punching out individual pieces from the latex sheet using a metal die

6.5.6 Key machinery and equipment

A summary of the key machinery and equipment owned and used by us are set out below:

Key machinery and equipment	Functions	As at 31 December 2025		
		No. of units	Average age[#] Years	NBV RM'000
Forklift	Used for the lifting and transporting of specialty industrial chemical products	4	13	1
Production line	Used for the manufacturing of rubber products	1	3	225

6. INFORMATION ON OUR GROUP (Cont'd)

Key machinery and equipment	Functions	As at 31 December 2025		
		No. of units	Average age# Years	NBV RM'000
Laboratory oven	Used for precise heating and temperature control required in laboratory settings for applications such as drying, evaporating, curing, sterilising and heat treating samples or selected materials	1	2	3
Scale	Used for measuring the weight of rubber products produced	1	2	2
Mixer	Used for mixing and blending of powders, granules and other selected materials	1	13	(1)-
Dissolver and basket mill	Used for mixing and blending small batches of powders, granules and other selected materials	1	6	(1)-
Balancing equipment	A measuring tool used for balancing rotating machine parts	6	6	2

Notes:

The average useful lifespan of our key machinery and equipment are 15 years.

(1) The key machinery and equipment were fully depreciated.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.7 Revenue segmentation and principal markets****6.5.7.1 Revenue segmentation**

The breakdown of our Group's revenue by business segments for the Financial Periods Under Review are as follows:

Business segments	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution, sales and application formulation of specialty industrial chemical products								
- Additives	22,796	53.14	23,951	64.47	27,085	61.65	25,680	66.42
- Resins	19,484	45.42	11,303	30.42	12,766	29.06	8,788	22.73
- Pigments and fillers	526	1.22	761	2.05	1,020	2.32	1,287	3.33
Subtotal	42,806	99.78	36,015	96.94	40,871	93.03	35,755	92.48
Manufacturing and trading of rubber products								
- Personal care products ⁽¹⁾	95	0.22	1,136	3.06	2,789	6.35	2,905	7.51
- Lifestyle products ⁽²⁾	-	-	-	-	272	0.62	2	0.01
Subtotal	95	0.22	1,136	3.06	3,061	6.97	2,907	7.52
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Notes:

(1) Comprises revenue derived from the sale of dental dams, latex sheets, prophylactic (oral) dams and other rubber products. Trading of rubber products accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

(2) Comprises revenue derived from sale of exercise bands.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.7.2 Geographical locations**

Our Group's operations are headquartered in Malaysia. Our subsidiary in Singapore, Eckem Singapore, is established to facilitate the trading of specialty industrial chemical products in the Singapore market.

Our principal market is Malaysia. The breakdown of our Group's revenue by geographical locations for the Financial Periods Under Review are as follows:

Geographical locations	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	42,360	98.74	36,551	98.39	41,692	94.90	36,361	94.05
Overseas								
China	-	-	90	0.24	778	1.77	1,045	2.70
Ukraine	-	-	69	0.19	284	0.65	99	0.26
USA	-	-	117	0.31	241	0.55	418	1.08
Netherlands	-	-	105	0.28	201	0.46	191	0.49
United Kingdom	-	-	-	-	160	0.36	166	0.43
Singapore	456	1.06	176	0.47	371	0.84	149	0.39
Thailand	72	0.17	32	0.09	125	0.29	-	-
Others ⁽¹⁾	13	0.03	11	0.03	80	0.18	233	0.60
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Note:

⁽¹⁾ Comprises revenue derived from Australia, Brazil, Hong Kong, Iraq, Japan, Taiwan, the Philippines, Sri Lanka and Argentina.

Our revenue generated from overseas markets for the Financial Periods Under Review were mainly contributed by the manufacturing and trading of rubber products segment.

The currencies that we use to transact with foreign customers are RM, USD and SGD.

6.5.8 Significant products/services introduced

Save as disclosed in Section 6.5.2 of this Prospectus, there are no other significant products/services introduced or to be introduced by our Group as at the LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.9 Competitive strengths**

We believe our success and potential for future growth are attributable to our competitive strengths set out below:

6.5.9.1 We distribute a wide variety of specialty industrial chemical products

With our wide network of third-party brand principals and suppliers, we have developed a comprehensive product portfolio for the end user applications within the specialty industrial chemical products market that we are focusing on. We offer a total of 310 different specialty industrial chemical products sourced from our third-party brand principals, suppliers and contract manufacturers under the following product categories as at the LPD:

Category	Number of products as at the LPD
Specialty industrial chemical products	
(a) Resins	45
(b) Pigments and fillers	59
(c) Additives	206
Total	310

Please refer to Section 6.5.2 (a) of this Prospectus for further details regarding the composition of our product portfolio.

Our comprehensive product portfolio, coupled with technical expertise and tailored sales and marketing strategies, enables us to enhance customer satisfaction and strengthen our market position, ultimately maximising our revenue generating potential.

Furthermore, by leveraging on our diversified product portfolio, we are well-positioned to take advantage of and capture the demand from different target customers with specific needs across various downstream industries. This will also allow us to maintain the flexibility to cope with market changes, thereby reducing our reliance on a single product type and broadening our customer base and source of revenue.

6.5.9.2 Our specialty industrial chemical products are sourced from established third-party brand principals and suppliers

We source specialty industrial chemical products from established third-party brand principals and suppliers, many of which are established multinationals with long operating history. The products manufactured by our third-party brand principals and suppliers are internationally recognised for their quality, reliability, and performance, and have gained wide acceptance across various industries in global markets, reflecting their strong brand reputation and consistent compliance with international standards.

We have established long-standing relationships with our third-party brand principals and suppliers through developing new market segments and products, as well as timely payments. We have at least 5 years of business relationship with 3 of our top 5 major suppliers in FYE 2022, 2 in FYE 2023, 3 in FYE 2024 and 4 in FYE 2025. Please refer to Section 6.11 of this Prospectus for further details on our major suppliers.

6. INFORMATION ON OUR GROUP (Cont'd)

Our long-standing relationships with our suppliers enable us to ensure consistent quality and volume of supplies on top of our wide variety of product offerings. This has in turn allowed us to build a track record with our customers by continuously maintaining consistent quality and delivery of our products. Additionally, with a wide range of product offerings sourced from an extensive network of suppliers, we have secured a wide range of customers comprising companies from various sectors and industries. Our ability to secure a wide range of customers is also a testament to our product range, quality and our ability to source relevant products to meet our customers' needs, all of which will continue to be our foundation and credentials to continue expanding our business in the future.

6.5.9.3 We have in-depth knowledge and experience in the specialty industrial chemicals industry to meet our customers' requirements

With approximately 19 years of experience in the specialty industrial chemicals industry, we have accumulated in-depth industry knowledge and experience as well as understanding of the characteristics, attributes and formulation of specialty industrial chemical products for the various applications of our customers. This allows us to provide advice, recommendations as well as customised solutions for our customers based on their intended applications and requirements of the specialty industrial chemical products in whatever applications that they need in their respective sector and industry, in terms of desired results of the end-products and budget considerations.

Further, we also have 1 in-house chemist and 1 lab assistant. They possess the required knowledge and experience which allows us to develop specialty industrial chemical formulations, together with our contract manufacturers, according to our customers' requirements and intended applications, to achieve certain functions in various aspects such as modifying or enhancing the properties of their end products. We work closely with our customers by developing and providing formulation samples to assist our customers in their product development. Our chemical expertise and technology capabilities enable us to cater to the needs of a broad customer base in the manufacturing of various types of industrial and consumer products.

Our knowledge and experience have allowed us to maintain the flexibility to cope with market changes and capture the demand from different target customers with specific needs across various industries.

6.5.9.4 We have an experienced key senior management team to sustain and continue developing our business

Our Group is led by our key senior management team which possess in-depth industry knowledge and experience in the specialty industrial chemicals industry. Our Managing Director, Tan Kwang Wah has approximately 34 years of experience in the industrial chemicals industry and business. He has been instrumental in developing the growth strategies that have led to the growth of our Group since our incorporation and will continue to play a pivotal role in the future growth of our Group.

Tan Kwang Wah is supported by a key senior management team comprising:

Name	Designation	Years of working experience
Tan Khai Jeik	Executive Director	9
Tan Khai Wen	Chief Operating Officer	7
Kam Shih Wui	Chief Financial Officer	16
Lim Ee Chee	Purchasing Manager	23

6. INFORMATION ON OUR GROUP (Cont'd)

Each of our key senior management personnel takes an active, hands-on role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand.

6.5.10 Seasonal or cyclical effects

Our operations are not significantly affected by seasonal or cyclical effects as our customers generally operate throughout the year. However, the demand for our services may be affected by global and local economic conditions and government policies, which may affect the respective industries in which our customers operate.

6.5.11 Types, sources and availability of raw materials

Our purchases primarily comprise raw materials, finished rubber products and packing materials as follows:

Purchases	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Raw materials								
Additives	13,880	44.19	13,597	55.95	19,398	63.24	17,731	66.53
Resins	16,880	53.74	9,596	39.48	9,462	30.85	6,820	25.59
Pigments	534	1.70	744	3.06	690	2.25	1,130	4.24
Latex	26	0.08	216	0.89	791	2.58	746	2.80
Others ⁽¹⁾	8	0.03	45	0.19	68	0.22	75	0.28
Finished rubber products	9	0.03	13	0.05	-	-	-	-
Packaging materials⁽²⁾	71	0.23	93	0.38	264	0.86	149	0.56
Total purchases	31,408	100.00	24,304	100.00	30,673	100.00	26,651	100.00

Notes:

⁽¹⁾ Include fillers and flavourings.

⁽²⁾ Include carton boxes and zipper bags.

Our Group has not encountered any major disruptions in the purchase of raw materials, finished rubber products and packing materials in the Financial Periods Under Review. Our raw materials, finished rubber products and packaging materials are also generally readily available and can be easily sourced from local and overseas suppliers.

6. INFORMATION ON OUR GROUP (Cont'd)

The breakdown of our local and overseas purchases are as follows:

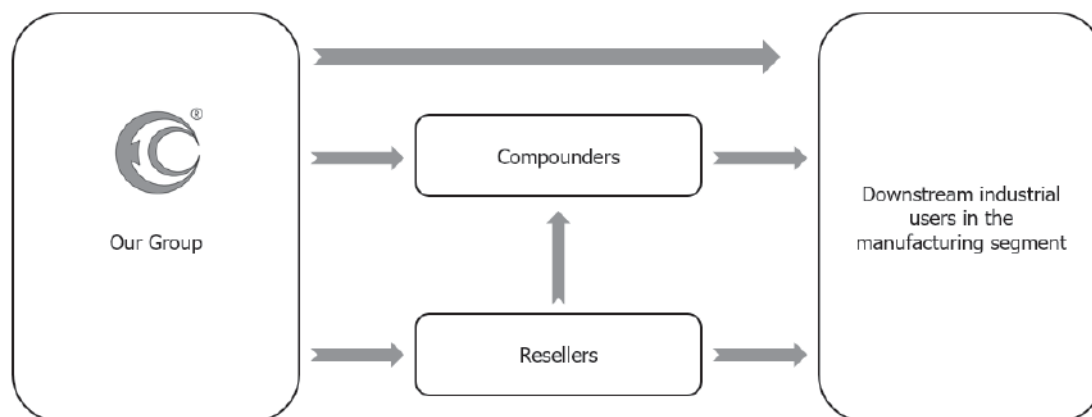
	Local purchases	Overseas purchases
	%	%
FYE 2022	92.10	7.90
FYE 2023	87.47	12.53
FYE 2024	87.82	12.18
FYE 2025	85.14	14.86

The prices of our raw materials, namely resins, pigments and fillers, additives and latex, as well as our finished rubber products are subject to fluctuations according to global commodity prices. As such, our financial performance may be adversely impacted if we are unable to pass on any increase in the cost of raw materials to our customers. In the Financial Periods Under Review, we have been able to pass on the increase in cost of raw materials to our customers.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.5.12 Sales and marketing****6.5.12.1 Distribution channels and customer base**

Our distribution channels can be illustrated as follows:



The majority of our revenue was derived from sales to downstream industrial users in the manufacturing segment, compounders and resellers, which accounted for approximately 99.78%, 96.94%, 93.03% and 92.48% of our revenue in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

Our main customers are downstream industrial users in the manufacturing segment. Our specialty industrial chemical products are used as raw materials or intermediaries in the production processes.

The specialty industrial chemical products that we source, distribute and sell are typically for the applications in paints and coatings, construction and building materials, PPE, inks, household and personal care, adhesives, automotive coatings and care. We also sell specialty industrial chemical products to compounders and resellers. Our sales to our customers are recognised as revenue when delivery is completed.

Our in-house application formulation capabilities are deemed complementary to our distribution and sales of specialty industrial chemical products. Leveraging on our in-house application formulation capabilities, we are able to formulate and develop customised specialty industrial chemical formulations by incorporating specific specialty industrial chemical products in proportionate ratios to optimise the performance as well as to achieve the specific characteristics of our customer's end-products based on their applications. These capabilities also enable us to better understand the requirements of our customers as well as market trends and demand for specialty industrial chemical products. Therefore, we are in a unique position to assist our customers to source for specialty industrial chemical products that meet their specifications, performance and characteristics of end-products.

Our in-house chemist and lab assistant operate from our laboratory at Property No. 19 where we carry out application formulation activities as well as testing in relation to application formulation.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5.12.2 Sales and marketing activities**

Our Group's sales and marketing team is primarily responsible for planning and executing sales and marketing activities, serving existing customers by providing value added services, attending enquiries from potential customers and collecting payments. As at the LPD, we have 2 sales representatives led by Executive Director, Tan Khai Jeik. Our Group's mode of sales and marketing are as follows:

(a) Direct sales

We secure new customers by directly approaching potential customers to promote our products as well as to showcase our industry knowledge, product capabilities and product samples to potential customers. Our sales and marketing team also follows up closely with our existing customers to remain up-to-date with their new product launches or business expansions to identify new opportunities to secure more sales.

(b) Referrals from business associates

We secure new customers through referrals from our business associates, including our customers and suppliers. Our ability in providing value added services to our customers and maintaining the quality of our products, coupled with our wide product offerings attributed to our extensive supplier network have brought in referrals through recommendations by our business associates, whom we dedicate to maintaining good relationships with.

(c) Participation in trade fairs and exhibitions

We participate in trade fairs and exhibitions to promote our products. We leverage on these events to showcase our product offerings to new markets and potential customers, build customers relationships and establish direct contact with downstream industrial users who purchase our products, while promoting our brand presence.

Year	Events	Organiser	Location
2018	9 th International Rubber Glove Conference and Exhibition	Malaysian Rubber Glove Manufacturers Association (MARGMA)	Kuala Lumpur Convention Centre, Malaysia
2022	10 th International Rubber Glove Conference and Exhibition	Malaysian Rubber Glove Manufacturers Association (MARGMA)	Kuala Lumpur Convention Centre, Malaysia
2026	China International Medical Equipment Fair	Reed Sinopharm Exhibitions Co., Ltd.	Shanghai, China

On 24 July 2023, we partnered with our major supplier, BASF SE, to organise a product launch and technical workshop, where we invited approximately 100 of our customers for promoting the BASF brand. Please refer to Section 6.11 of this Prospectus for further details on our major suppliers.

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

(d) Corporate website

Our corporate website www.eckem.com provides immediate searchable information on our Group and products. Over the years, we have received enquiries from interested customers through our corporate website.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.13 Major approvals, licenses and permits

Kindly refer to Appendix I of this Prospectus for further details of our major approvals, licenses and permits.

6.5.14 Intellectual property rights

As at the LPD, save as disclosed below, our Group has not filed for registration and/or registered any trademarks, copyrights, patents or other intellectual property rights:

No.	Trademark	Company/ Authority/ Trademark Application date	no./	Class/ Description of trademark	Status/ Validity date
(a)		Company: Eckem Authority: MyIPO Trademark no.: TM2024018490 Application date: 26 June 2024		Class: 1 Description of trademark: Chemical additives for use in manufacture; chemical preparations for the manufacture of paints; chemical preparations for the manufacture of pigments; chemical preparations for use in the manufacture of paints; chemicals for industrial use; chemicals for industry; chemicals for the manufacture of paints; chemicals for the manufacture of pigments; polymer-based compounds for use in manufacture.	Status: Registered Validity date: 26 June 2024 to 26 June 2034

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Company/ Authority/ Trademark Application date	no./	Class/ Description of trademark	Status/ Validity date
(b)	ECKEM	Company: Eckem Authority: MyIPO Trademark no.: TM2024018487 Application date: 26 June 2024		Class: 1 Description of trademark: Chemical additives for use in manufacture; chemical preparations for the manufacture of paints; chemical preparations for the manufacture of pigments; chemical preparations for use in the manufacture of paints; chemicals for industrial use; chemicals for industry; chemicals for the manufacture of paints; chemicals for the manufacture of pigments; polymer-based compounds for use in manufacture.	Status: Registered Validity date: 26 June 2024 to 26 June 2034
(c)	Quantum Polymer	Company: Eckem Authority: MyIPO Trademark no.: TM2025020234 Application date: 19 June 2025		Class: 1 Description of trademark: Chemical additives for use in manufacture; chemical preparations for the manufacture of paints; chemical preparations for the manufacture of pigments; chemical preparations for use in the manufacture of paints; chemicals for industrial use; chemicals for industry; chemicals for the manufacture of paints; chemicals for the manufacture of pigments.	Status: Provisional Refusal (Objection) ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Company/ Authority/ Trademark Application date	no./ Class/ Description of trademark	Status/ Validity date
(d)	Premier Resin	Company: Eckem Authority: MyIPO Trademark no.: TM2025020236 Application date: 19 June 2025	Class: 1 Description of trademark: Chemical additives for use in manufacture; chemical preparations for the manufacture of paints; chemical preparations for the manufacture of pigments; chemical preparations for use in the manufacture of paints; chemicals for industrial use; chemicals for industry; chemicals for the manufacture of paints; chemicals for the manufacture of pigments; polymer-based compounds for use in manufacture.	Status: Provisional Refusal (Objection) ⁽¹⁾
(e)	Imperial Colour	Company: Eckem Authority: MyIPO Trademark no.: TM2025020237 Application date: 19 June 2025	Class: 1 Description of trademark: Chemical additives for use in manufacture; chemical preparations for the manufacture of paints; chemical preparations for the manufacture of pigments; chemical preparations for use in the manufacture of paints; chemicals for industrial use; chemicals for industry; chemicals for the manufacture of paints; chemicals for the manufacture of pigments; polymer-based compounds for use in manufacture.	Status: Provisional Refusal (Objection) ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Company/ Authority/ Trademark Application date	no./ Class/ Description of trademark	Status/ Validity date
(f)	Novadam	Company: Eckem Authority: MyIPO Trademark no.: TM2025020242 Application date: 19 June 2025	Class: 10 Description of trademark: Adult sexual aids; sexual activity apparatus, devices and articles; latex gloves for dental purposes; latex gloves for medical purposes; latex gloves for surgical purposes; latex gloves for veterinary purposes; devices made of natural rubber for contraceptive purposes; devices made of synthetic rubber for contraceptive purposes; exercise equipment for physical therapy purposes; exercise apparatus for medical rehabilitative purposes; condoms; flavoured condoms; spermicidal condoms; finger cots for medical purposes; compression bandages; incontinence sheets.	Status: Registered Validity date: 19 June 2025 to 19 June 2035
(g)	Novadam V	Company: Eckem Authority: MyIPO Trademark no.: TM2025020247 Application date: 19 June 2025	Class: 10 Description of trademark: Adult sexual aids; sexual activity apparatus, devices and articles; latex gloves for dental purposes; latex gloves for medical purposes; latex gloves for surgical purposes; latex gloves for veterinary purposes; devices made of natural rubber for contraceptive purposes; devices made of synthetic rubber for contraceptive purposes; exercise equipment for physical therapy purposes; exercise apparatus for medical rehabilitative purposes; condoms; flavoured condoms; spermicidal condoms; finger cots for medical purposes; compression bandages; incontinence sheets.	Status: Registered Validity date: 19 June 2025 to 19 June 2035

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Trademark	Company/ Authority/ Trademark Application date	no./ Class/ Description of trademark	Status/ Validity date
(h)	Novaband	Company: Eckem Authority: MyIPO Trademark no.: TM2025020252 Application date: 19 June 2025	Class: 28 Description of trademark: Exercise machines; exercise equipment, other than for medical rehabilitative purposes; exercise equipment, other than for physical therapy purposes.	Status: Registered Validity date: 19 June 2025 to 19 June 2035

Note:

- ⁽¹⁾ On 6 January 2026, Eckem received 3 Notices of Temporary Rejection from MyIPO for items (c), (d) and (e) above, stating that the trademark applications were provisionally refused under Section 23(1)(b) and Section 23(1)(c) of the Trademarks Act 2019 as the word(s) are common for the class of goods applied for and may give an impression and/or perception of a high-performance or high-tech goods which includes chemical compounds that function to provide certain characteristics. Based on the foregoing, MyIPO is of the view that the said trademarks are not distinctive and should not be monopolised by any person.

As at the LPD, our Group is in the midst of preparing the necessary documentations for the submission of appeal. The trademark agent is of the view that the prospects of a successful appeal are above average due to the proven track record of our own brands of specialty industrial chemical products, where the revenue generated from our own brand products since 2015 demonstrates that our own brand products have built a solid reputation and are widely recognised by the public. The estimated timeframe to receive a decision on the appeal is between 6 to 12 months from the date of the appeal.

In view of the provisional refusal (objection) for the registration of trademarks associated with our brands, our Group may not be able to prevent unauthorised third parties from using identical or similar trademarks which could affect our brand recognition and potentially cause damage to our sales and reputation. Nonetheless, the failure to obtain approval for the said trademarks would not have any material adverse impact on our Group's business operations or financial condition.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5.15 Dependency on contracts, intellectual property rights, licenses or processes**

Save for BASF SE, Lanxess and BLJ distributorship letters as well as other major approvals, licenses and permits as set out in Appendix I of this Prospectus, we are not materially dependent on any other contracts, intellectual property rights, licenses and permits or processes that could materially affect our business as at the LPD.

(a) BASF SE distributorship letter

Vide a distributorship letter dated 1 January 2013 issued by BASF (Malaysia) Sdn Bhd to Eckem, we had been an authorised distributor of BASF SE for the selected BASF range of resins and additives since 2013. As at the LPD, we have distributed 151 BASF range of resins and additives, and BASF SE group of companies had contributed to 59.11%, 62.41%, 59.37% and 59.62% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

The salient terms of the BASF SE distributorship letter are set out as follows:

No.	Terms	Description
(i)	Tenure	: Remain in effect unless terminated by either party
(ii)	Territory	: Malaysia
(iii)	Product category	: Resins and additives

(b) Lanxess distributorship letter

Vide a distributorship letter dated 7 April 2024 issued by Lanxess to Eckem, we had been an authorised distributor of Lanxess Pte Ltd for the Lanxess range of additives since 2024. As at the LPD, we have distributed 27 Lanxess range of additives, and Lanxess group of companies had contributed to 4.11%, 7.78%, 12.32% and 12.11% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

The salient terms of the Lanxess distributorship letter are set out as follows:

No.	Terms	Description
(i)	Tenure	: Remain in effect unless terminated by either party
(ii)	Territory	: Malaysia
(iii)	Product category	: Additives

6. INFORMATION ON OUR GROUP (Cont'd)**(c) BLJ distributorship letter**

Vide a distributorship letter dated 1 January 2024 issued by BLJ to Entire Concept, we had been an authorised distributor of BLJ (Malaysia) Sdn Bhd for the BLJ range of resins since 2024. As at the LPD, we have distributed 12 BLJ range of resins, and BLJ (Malaysia) Sdn Bhd had contributed to 27.41%, 16.34%, 11.00% and 6.31% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

The salient terms of the BLJ distributorship letter are set out as follows:

No.	Terms	Description
(i)	Tenure	: Remain in effect unless terminated by either party
(ii)	Territory	: Malaysia and Singapore
(iii)	Product category	: Resins

Pursuant to the BASF SE, Lanxess and BLJ distributorship letters, there are no minimum order requirements/conditions, nor any express clauses pertaining to exclusivity, non-competition, pricing, governing laws or termination that are imposed on and/or applicable to our Group.

6.5.16 Research and development

Due to the nature of our businesses, we do not engage in research and development activities and do not incur any research and development expenditures. However, we are engaged in application formulation activities to customise specialised industrial chemical solutions to meet the requirements and applications of our customers and that of market demands.

As at the LPD, we have 1 in-house chemist and 1 lab assistant, where our in-house chemist and lab assistant collaborate with our third-party brand principals and suppliers to test out the existing application formulations to achieve the desired results and specifications for our customers. The team also works on enhancing the existing application formulations to improve product performance, durability and sustainability.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.17 Regulatory requirements and environmental issues

The relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issue which may materially affect our Group's business or operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations to which our business is subject to.

Throughout the Financial Periods Under Review and up to the LPD, save for the past non-compliance incidents as set out in this section, our Group is in compliance with the relevant laws, regulations, rules or requirements governing the conduct of our Group's business and environmental issue.

Malaysia

(a) Malaysian Rubber Board (Incorporation) Act 1996 ("MRBA 1996"), Malaysian Rubber Board (Licensing and Permit) Regulations 2014 ("MRBR 2014") and Malaysian Rubber Board (Licensing and Permit) (Amendment) Regulations 2023 ("MRB(A)R 2023")

The MRBA 1996 establishes the MRB and to provide for matters connected therewith and to make better provision in respect of the rubber industry of Malaysia.

Pursuant to MRBR 2014 read together with MRB(A)R 2023, no person shall buy, store, sell, process or pack, or export rubber, and store rubber for the manufacture of rubber products, export rubber gloves, or buy, store or sell, or germinate, grow, plant or transplant rubber planting materials for commercial purposes, and buy rubber or sell rubber planting materials on mobile, unless he holds a license. A person who contravenes this provision commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both. An application for a license to carry out any of the activities shall be made to the MRB.

The MRB may impose any condition upon issuance of a license under the MRBR 2014 and may, at any time, amend the conditions imposed. A licensee shall comply with the conditions imposed on a license and a licensee who contravenes the same commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.

Pursuant to the MRBA 1996, the regulations made under any of the purposes set out in the provision may prescribe any act in contravention of the regulations to be an offence and may prescribe penalties of a fine not exceeding RM100,000 or imprisonment for a term not exceeding 3 years or both.

During the Financial Periods Under Review and up to the LPD, our subsidiary, Novatex Product, being the only company within our Group is in the business of manufacturing and trading of rubber products, has bought and stored rubber for its manufacturing of rubber products in the absence of a license between 13 February 2025 and 3 May 2025 due to oversight by our Group for its renewal. Due to the absence of the said license between 13 February 2025 and 3 May 2025, Novatex Product was imposed with a compound of RM750 by the MRB vide a Notice of Compound dated 15 July 2025, which was duly settled by Novatex Product on 28 July 2025. On 4 May 2025, Novatex Product has obtained its renewed license issued by the MRB, allowing Novatex Product to purchase and store rubber for its manufacturing of rubber products.

6. INFORMATION ON OUR GROUP (Cont'd)

Save as disclosed above, our Group is in compliance with MRBA 1996 and MRBR 2014 throughout the Financial Periods Under Review and up to the LPD. As at the LPD, our Group holds and maintains license issued by the MRB for purchasing and storing rubber for our manufacturing of rubber products.

(b) Street, Drainage and Building Act 1974 ("SDBA 1974")

The SDBA 1974 is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC or CF of any building or any part thereof.

Under the SDBA 1974, no person shall erect or cause or permit to be erected in any building any partition, compartment, gallery, loft, roof, ceiling or other structure without having the prior written permission of the local authority. Any person who contravenes the provision shall be liable on conviction to a fine not exceeding RM500 and shall also be liable to a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

Further, no person shall erect any building without the prior written permission of the local authority. Any person who makes any alteration to any building otherwise than is provided for in SDBA 1974 or by-laws made thereunder or without the prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM25,000 and a Magistrate's Court shall, on the application of the local authority, issue a mandatory order to alter the building in anyway or to demolish it.

Novatex Product has previously made additions and changes in the rear of Property No. 13 without obtaining permission from the local authority and was issued with a Notice of Defects and Offers of Compounds from the Selayang Municipal Council dated 27 July 2023 ("**Notice of Defects and Offers of Compounds**"), offering a settlement of the offence by payment of a compound of RM7,000 within 14 days from the date of the notice, which is before 10 August 2023. However, the Notice of Defects and Offers of Compounds has come to our attention on 21 January 2025 upon a general enquiry with the Selayang Municipal Council. Our Group has subsequently paid the compound of RM7,000 to the Selayang Municipal Council on 21 January 2025.

Further, pursuant to a letter dated 15 August 2025 issued by the Selayang Municipal Council to the solicitors of our Listing in respect of the laws in Malaysia, the status of the Notice of Defects and Offers of Compounds has been confirmed as closed, indicating that the matter has been fully resolved with no further penalties to be imposed on Novatex Product and no litigation to be initiated against Novatex Product in relation to this non-compliance.

Save as disclosed above, our Group is in compliance with the relevant provisions of SDBA 1974 and its regulation thereto throughout the Financial Periods Under Review and up to the LPD.

(c) Local Government Act 1976 ("LGA 1976")

The LGA 1976 is enacted to address the laws concerning local governance in Peninsular Malaysia. Presently, our Group's business activities in Malaysia are carried out in Shah Alam and Selayang and as such, we come under the jurisdiction of the Shah Alam City Council and the Selayang Municipal Council:

- (i) The Licensing of Trades, Businesses and Industries (Shah Alam City Council) By-Laws 2007 ("**Shah Alam By-Laws**") provides that no person shall operate any activity of trade, business and industry or use any place or

6. INFORMATION ON OUR GROUP (Cont'd)

premise in the local area of the Shah Alam City Council for any activity of trade, business and industry without a license issued by the Shah Alam City Council. Any person who contravenes any provisions of these Shah Alam By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

- (ii) The Licensing of Trades, Businesses and Industries (Selayang Municipal Council) By-Laws 2007 ("**Selayang By-Laws**") provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Selayang Municipal Council for any activity of trade, business and industry without a license issued by the Selayang Municipal Council. Any person who contravenes any provisions of the Selayang By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

Enrich Chemicals, Novatex Product, Eckem JB and Entire Concept were operating without business premise licenses from their respective incorporation dates until the valid licenses were granted to them by the relevant local authorities for their business operations at Property No. 3, Property No. 13, Property No. 17 and Property No. 19 on 1 August 2025, 1 January 2023, 1 June 2025 and 15 January 2025, respectively.

No penalties or regulatory actions were imposed in relation to this matter. To prevent re-occurrence of this non-compliance, our Group has designated Lim Shiuk Fun, a senior account executive of our Group, to oversee our Group's overall regulatory compliances as well as implemented measures for monitoring the licenses and certifications required, its status of compliance, conditions imposed as well as its renewals.

Save as disclosed above, our Group is in compliance with the abovementioned provisions under the respective by-laws throughout the Financial Periods Under Review and up to the LPD. As at the LPD, our Group holds and maintains valid business premise licenses issued by the Shah Alam City Council and the Selayang Municipal Council for our business operations.

(d) Fire Services Act 1988 ("FSA 1988"), Fire Services (Designated Premises) Order 1998 ("FSDPO 1998") and Fire Services (Designated Premises) (Amendment) Order 2020 ("FSDPO Amendment Order")

The FSA 1988 governs the provisions required for the effective and efficient functioning of the Fire Services Department, for the protection of persons and property from fire risks, and for purposes connected therewith.

The FSA 1988 requires every designated premises, as determined under the Schedule of FSDPO 1998 read together with FSDPO Amendment Order, to obtain a "fire certificate" as issued by the Director General from the FRDM. This fire certificate is renewable annually. Where there is no fire certificate in force in respect of any designated premises the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

Eckem rented out Property No. 8 to Semangat Deligasi Sdn Bhd ("**Semangat Deligasi**") since 19 August 2022 until 17 March 2026. Semangat Deligasi occupied

6. INFORMATION ON OUR GROUP (Cont'd)

the said premise without a fire certificate from 19 August 2022 until 23 June 2025. On 29 April 2025, Eckem has submitted the application for the fire certificate for Property No. 8 and the fire certificate for Property No. 8 issued by FRDM was subsequently obtained on 27 June 2025, valid from 24 June 2025 to 23 June 2026.

Save as disclosed above, our Group has been in compliance with the FSA 1988 throughout the Financial Periods Under Review and up to the LPD. As at the LPD, save for Property No. 8, none of the properties owned and/or rented by our Group falls under the designated premise under the FSDPO 1998 read together with the FSDPO Amendment Order which requires a fire certificate.

(e) Environmental Quality Act 1974 ("EQA 1974") and Environmental Quality (Scheduled Wastes) Regulations 2005 ("EQSWR 2005")

The EQA 1974 and the regulations made thereunder govern the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment.

The EQSWR 2005 obliges any person who generate schedule waste which are included in the First Schedule of the EQSWR 2005 to properly label, store, treat and dispose of such wastes which may apply to our Group in governing such disposal of special type of waste.

Every waste generator shall, within 30 days from the date of generation of scheduled wastes, notify the Director General of Environmental Quality of the new categories and quantities of scheduled wastes which are generated. Any person may store scheduled wastes generated by him for 180 days or less after its generation provided that the quantity of scheduled wastes accumulated on site shall not exceed 20 metric tonnes and the Director General of Environmental Quality may at any time, direct the waste generator to send any scheduled wastes for treatment, disposal or recovery of material or product from the scheduled wastes up to such quantity as he deems necessary.

Section 49A of the EQA 1974 stipulates that an owner or occupier of a premise shall employ a person who has been certified by the Director General of Environmental Quality as a competent person to conduct all or any of the following activities:

- (i) the operation of a control equipment;
- (ii) the management of scheduled wastes;
- (iii) the conduct of studies; and
- (iv) the preparation and submission of reports, plans, proposals, engineering drawings or other documents relating to environmental matters.

Every offence which consists of any omission or neglect to comply with, or any act done or attempted to be done contrary to the EQSWR 2005 may be compounded under Section 45 of the EQA 1974.

Where an offence against the EQA 1974 or any regulations made thereunder has been committed by a company, any person who at the time of committing the offence is a director, chief executive officer, manager, or other similar officer of the company, or was purporting to act in such capacity shall be deemed to be guilty of that offence unless he provides that the offence was committed without his consent or connivance and that he has exercised all such diligence as to prevent committing the offence as

6. INFORMATION ON OUR GROUP (Cont'd)

he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

Pursuant to EQA 1974, every omission or neglect to comply with, and every act done or attempted to be done contrary to, the provisions of the EQA 1974 or any regulations made thereunder or any breach of the conditions and restrictions subject to, or upon which, any license is issued under the EQA 1974 or any regulations made thereunder shall be an offence against the EQA 1974 and in respect of any such offence for which no penalty is expressly provided the offender shall be liable to a fine not less than RM5,000 and not exceeding RM250,000 or to imprisonment for a period not exceeding 2 years or to both. Compoundable offences under the EQA 1974 or the regulations made thereunder may be compounded with a compound or fine not exceeding RM2,000.

Our Group has been generating scheduled waste since 1 June 2023 without notifying the Director General of Environmental Quality on such generation. The generated scheduled waste had been stored in the operating premise of our Group for more than 180 days prior to the appointment of a third-party scheduled waste collector on 10 July 2024.

Prior to our in-house chemist successfully completing and passing the required examination to be certified as a competent person under the Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") on 13 February 2025, our Group had been managing the generated scheduled waste in the absence of a competent person. Following the examination, he was awarded a temporary certificate of competency to act as a competent person which valid until 13 February 2026. On 9 February 2026, he has discharged his duty by submitting the field training report to the National Registry of Certified Environmental Professionals, The Environmental Institute of Malaysia ("EiMAS") within the stipulated timeframe. As at the LPD, he is awaiting a professional interview to be set which is expected to take place within 2 to 4 months from the date of submission of the field training report. He will be officially certified as a competent person under the CePSWaM upon satisfaction of the requirements, which is procedural in nature.

On 10 July 2024, our Group has appointed a third-party scheduled waste collector, Kualiti Alam Sdn Bhd, to remove and transfer the scheduled waste to the specified waste management centre, facility, or premise, as determined by the third-party scheduled waste collector, to store, treat and/or dispose of the scheduled waste and any residue. On 13 August 2025, our Group has notified the Director General of Environmental Quality on its generation of scheduled waste.

Save as disclosed above, our Group is in compliance with the relevant provisions of EQA 1974, EQSWR 2005, and the regulations incidental thereto throughout the Financial Periods Under Review and up to the LPD.

(f) Poisons Act 1952 ("PA 1952") and Poisons Regulations 1952 ("PR 1952")

The PA 1952 regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons and certain chemicals in Malaysia. In the context of our Group's business, the PA 1952 is crucial, particularly when our Group's operations involve handling, storing, or transporting potentially hazardous chemicals or substances classified as "poisons" under the PA 1952.

Save for the exception under the PA 1952, no person other than a person licensed under the PA 1952 in that behalf shall import any poison from any place outside Malaysia. No person shall knowingly sell, supply, keep or have in his possession or

6. INFORMATION ON OUR GROUP (Cont'd)

under his control or store any poison otherwise than in accordance with the regulations made under the PA 1952 and in force relating to the possession, containers, packaging, labelling or storing of such poison. No poison shall be sold by wholesale except by a licensed wholesaler in accordance with the terms and conditions of his license, and no poison shall be sold by a licensed wholesaler except to specific persons as provided under PA 1952.

Pursuant to Regulation 5 of the PR 1952, no person shall store any poison except in a container impervious to the poison and sufficiently stout to prevent leakage from the container arising from the ordinary risks of handling. Pursuant to Regulation 6 of the PR 1952, where any poison is kept for sale, whether by wholesale or retail or for dispensing purpose, it shall be kept (a) in an unbroken case or package as received from the manufacturer, or (b) in a container tied over, capped, locked or otherwise safely secured in a manner different from that in which container of non-poisonous substances kept in the same warehouse shop or dispensary are secured, or (c) in a container readily distinguishable by touch from all containers holding non-poisonous substances, or (d) in a room or cupboard under lock and key set apart for the keeping of poisons, provided that where any poison is stored in any dispensary, retail shop or premises used in connection therewith, it shall be stored: (i) in a cupboard or drawer under lock and key reserved solely for the storage of poisons, or in a part of the premises which is partitioned off or otherwise separated from the remainder of the premises and to which customers are not permitted access, and (ii) if a liquid kept in a container holding 2.5 litres or less, in a container which shall be readily distinguishable by touch from all containers holding non-poisonous liquids.

Further, Part I Poison (which includes Group A poison) shall not be sold or supplied to any person except by wholesale in accordance PA 1952 or to be exported to purchasers outside Malaysia or to a person or institution concerned with scientific education or research or chemical analysis and for the purpose of such education research or analysis.

Any person guilty of an offence against the PA 1952 for which no other penalty is specifically provided by under PA 1952 or by any regulations made thereunder, shall be punishable by a fine not exceeding RM50,000 or by imprisonment for a term not exceeding 5 years or both provided that if the act or omission with which such person is charged is in the opinion of the court of such a nature as to amount to wilful default or culpable negligence, which endangered or was likely to endanger human life, such person shall be liable, on conviction, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 10 years or both.

Further, where a person charged with an offence against the PA 1952 or of any regulation made thereunder is a body corporate every person who, at the time of the commission of such offence, is a director or officer of such body corporate may be charged jointly in the same proceedings with such body corporate and where the body corporate is convicted of the offence charged, every such director or officer shall be deemed to be guilty of such offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission.

During the Financial Periods Under Review, our former employee, namely Pang Chew Len, held valid license to import, store and sell by wholesale the poisons on behalf of our subsidiary, Eckem. The license was issued by a licensing officer from the Selangor State Health Department under the MOH and is valid from 1 January 2025 to 31 December 2025. However, pursuant to Pang Chew Len's departure from our Group with effect from 1 August 2025, her license is no longer valid and subsisting.

6. INFORMATION ON OUR GROUP (Cont'd)

Accordingly, Eckem applied for a new license under our Chief Operating Officer, namely Tan Khai Wen. As at the LPD, Tan Khai Wen holds valid license to import, store and sell by wholesale the poisons, as listed in the Appendix I of this Prospectus, on behalf of Eckem. The license was issued by a licensing officer from the Selangor State Health Department under the MOH and is valid from 1 January 2026 until 31 December 2026. Our Group is in compliance with the abovementioned provisions under PA 1952 and PR 1952 throughout the Financial Periods Under Review and up to the LPD.

(g) Industrial Co-ordination Act 1975 ("ICA 1975")

The ICA 1975 and the Guideline on Application for E-Manufacturing Licence dated 6 June 2024 issued by MIDA ("**Guidelines on Manufacturing License**") requires any person engaging in any manufacturing activity with shareholders' fund of RM2,500,000 or above and/or employing 75 or more full time paid employees to apply for a manufacturing license for approval by the MITI.

On the other hand, a company that carries out manufacturing activities with shareholders' fund of less than RM2,500,000 or with less than 75 full time paid employees may apply for an exemption from having a manufacturing license pursuant to Industrial Co-ordination (Exemption) Order 1976 read together with Industrial Co-ordination (Exemption) (Amendment) Order 1976 and the Guidelines on Manufacturing License.

As at the LPD, our subsidiary, Novatex Product, being the only company within our Group that engages in manufacturing activities prescribed under the ICA 1975, has commenced manufacturing activities since 2023 and has been exempted from having a manufacturing license from the MIDA as the threshold for having a manufacturing license has not been met.

(h) Medical Device Act 2012 ("MDA 2012"), Medical Device Regulations 2012 ("MDR 2012"), Medical Device (Duties and Obligations of Establishments) Regulations 2019 ("MDR 2019"), and Medical Device (Advertising) Regulations 2019 ("MDAR 2019")

The MDA 2012 regulates medical devices, the industry and to provide for matters connected thereto.

No medical device shall be imported, exported or placed in the market unless the medical device is registered under MDA 2012. Any person who contravenes MDA 2012 commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 3 years or to both.

Pursuant to MDR 2012, all medical devices shall be subjected to conformity assessment by a Registered Conformity Assessment Body ("**CAB**") to demonstrate its conformity to the requirements as specified in Third Schedule of the MDR 2012.

Pursuant to the MDA 2012, no establishment shall import, export or place in the market any registered medical device unless it holds an establishment license granted under the MDA 2012. Any establishment who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 3 years or to both.

An establishment may apply to the MDA for a permit to export a registered medical device in the prescribed form and accompanied by the prescribed fees and shall comply with the conditions imposed by the MDA on the export permit, if issued.

6. INFORMATION ON OUR GROUP (Cont'd)

Pursuant to Section 37 of the MDA 2012 to be read together with Regulation 3(1) of the MDR 2019, an establishment shall ensure that a distribution record in respect of each medical device manufactured, imported, exported and placed in the market contains the details of the consignee of the medical device, the details specifications of the medical device, the address of the place of storage of the medical device, the details about the delivery and receipt of the medical device, the details about the disposal of the medical device and any other details as may be required by the MDA.

Further, no person shall advertise any registered medical device without the approval from the MDA under the MDAR 2019. Any person who contravenes this provision commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 2 years or to both.

If a body corporate commits an offence under the MDA 2012, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the body corporate or was purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management may be charged severally or jointly in the same proceedings with the body corporate, and where the body corporate is found guilty of the offence, shall be deemed to be guilty of that offence unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves that the offence was committed without his knowledge, consent or connivance; and that he took all reasonable precautions and had exercised due diligence to prevent the commission of the offence.

Pursuant to MDA 2012, any person who commits an offence under the MDA 2012 for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 3 years or to both. Further, the regulations made under the MDA 2012 may provide for any act or omission in contravention of the regulations to be an offence and may provide for penalties of a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 2 years or to both.

As at the LPD, our subsidiary, Novatex Product, being the only company within our Group that comes within the meaning of manufacturer and is in the business of manufacturing medical devices under the MDA 2012, has duly registered its medical devices which are dental dam/dental rubber dam with the MDA under the MOH and has obtained the establishment license to import, export or place in the market any medical device. Novatex Product has also appointed the CAB to conduct assessment on the conformity of its medical devices to the requirements under the MDA 2012, MDR 2012, MDR 2019 and MDAR 2019.

For the Financial Periods Under Review and up to the LPD, Novatex Product is in compliance with MDA 2012, MDR 2012, MDR 2019 and MDAR 2019.

(i) Standards of Malaysia Act 1996 ("SMA 1996")

The SMA 1996 establishes the Department of Standards Malaysia, which is placed under the MITI. The SMA 1996, also established the Malaysian Standards and Accreditation Council.

The Department of Standards Malaysia, established on 28 August 1996, is the National Standards Body and the National Accreditation Body of Malaysia, aiming to provide credible standardisation and accreditation services to facilitate international trade and to develop industry competitiveness towards enhance economic growth, societal and environmental well-being. While the National Standards Body develops

6. INFORMATION ON OUR GROUP (Cont'd)

and promotes the usage of Malaysian Standards, the National Accreditation Body provides accreditation services to bodies performing conformity assessment activities.

On the other hand, the Malaysian Standards and Accreditation Council is one of the advisory committees within the Department of Standards Malaysia. It provides advisory services towards the Minister of MITI, advising the Minister in respect of standardisation and accreditation policies, programmes, schemes, projects and activities as well as the standard for commodities, processes, practices and services. Apart from that, the Malaysian Standards and Accreditation Council also approve criteria relating to the preparation, approval, acceptance and designation of standards in Malaysia as well as criteria relating to the accreditation of a CAB.

As stated above, pursuant to the MDR 2012, all medical devices shall be subjected to conformity assessment by a CAB to demonstrate its conformity to the requirements of the MDR 2012. In order for the conformity assessment to be recognised, the CAB must be accredited by the Department of Standards Malaysia in order for the certificate issued therein to be recognised in Malaysia.

As at the LPD, our subsidiary, Novatex Product, has obtained quality management system certificates issued by TUV Nord (Malaysia) Sdn Bhd, a conformity assessment body recognised by both the Department of Standards Malaysia and the MDA, certifying that the medical devices quality management system of Novatex Product has been in compliance with ISO 13485:2016/MS ISO 13485:2017, therefore conforming with Malaysian Standards and Accreditation Council as approved by the Department of Standards Malaysia.

Further, Novatex Product has also obtained a certificate issued by TÜV UK Ltd, an accreditation body recognised by UKAS, the National Accreditation Body for the United Kingdom, to which its related company, TUV Nord (Malaysia) Sdn Bhd, is a conformity assessment body recognised by both the Department of Standards Malaysia and the MDA, certifying that Novatex Product has been complying with BS EN ISO 9001:2015.

For the Financial Periods Under Review and up to the LPD, Novatex Product is in compliance with SMA 1996.

(j) Occupational Safety and Health Act 1994 ("OSHA 1994")

The OSHA 1994 regulates the safety, health and welfare of persons at work, protecting others against risks to safety or health in connection with the activities of persons at work.

Pursuant to OSHA 1994, it shall be the duty of every employer to ensure, so far as is practicable, the safety, health and welfare to work of all his employees and it extends to include, amongst others, the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of his employees.

Pursuant to OSHA 1994, it shall be the duty of every employer to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organization and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of his employees. Failure to do so constitutes an offence and the employer shall upon conviction, be liable to a fine not exceeding RM500,000 or to imprisonment of directors for a term not exceeding 2 years, or to both.

6. INFORMATION ON OUR GROUP (Cont'd)

Employer has the duty to control chemicals hazardous to health at workplaces during storage as stipulated under the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 through the listed control measures. It is also the duty of the suppliers, including importer or distributor, to classify chemicals according to their hazardous properties and pack and label them into appropriate containers with prescribed information and accompany the chemicals with an information sheet pursuant to the provision under the Occupational Safety and Health (Classification, Packaging and Labelling of Hazardous Chemicals) Regulations 1997.

A person who by any act or omission contravenes any provision of the OSHA 1994 or any subsidiary legislation made thereunder shall be guilty of an offence, and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both and, in the case of a continuing offence, to a fine not exceeding RM2,000 for every day or part of a day during which the offence continues after conviction.

The OSHA 1994 and the Occupational Safety and Health (Safety and Health Committee) Regulations 1996 provides that every employer shall establish a safety and health committee at the place of work if (a) there are 40 employees or more employed at the place of work; or (b) the Director General of Occupational Safety and Health directs the establishment of such a committee at the place of work. The committee's main function is to review the safety and health measures and investigate any matters arising thereof. Failure to comply will attract a fine of not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

An employer whose work of place is not included in any class or description of place of work which requires a safety and health officer shall appoint one of his employees to act as an occupational safety and health coordinator if he employs five or more employees at his place of work. Failure to do so shall constitute an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

Further, no person shall operate or cause or permit to be operated any plant prescribed as plant requiring certificate of fitness, being steam boiler, pressure vessel and lifting machinery, unless the plant has a certificate of fitness issued by an officer or a licensed person. Failure to do so shall constitute an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

For the Financial Periods Under Review and up to the LPD, our Group is in compliance with the relevant provisions under the OSHA 1994 and its relevant regulations.

(k) Customs Act 1967 ("CA 1967")

The CA 1967 to be read together with Customs Duties Order 2022, Customs (Prohibition of Imports) Order 2023 and Customs (Prohibition of Exports) Order 2023 regulates the importation and exportation of goods as well as the collection of customs duties and taxes. CA 1967 provides the legal framework for the imposition and collection of customs duties and taxes, and the prevention of smuggling and other illicit activities related to the import and export of goods, whereby CA 1967 is enforced by the Royal Malaysian Customs Department.

6. INFORMATION ON OUR GROUP (Cont'd)

Pursuant to Section 11 of the CA 1967, the Minister of Finance of Malaysia may from time to time impose the custom duties to be levied on any goods imported into or exported from Malaysia and any customs duty payable under CA 1967 may be recovered as a civil debt due to the Government.

The MOF may by order, prohibit the importation into, or the exportation from Malaysia or any part thereof, either absolutely or conditionally, or from or to any specified country, territory or place outside of Malaysia, or the removal from one place to another place in Malaysia of any goods or class of goods and prohibit the importation into, or the exportation from Malaysia or any part thereof, or removal from one place in Malaysia of any goods or class of goods, except at specified ports or places.

Every omission or neglect to comply with, and every act done or attempted to be done contrary to, the provisions of CA 1967, or any breach of the conditions and restrictions subject to, or upon which, any licence or permit is issued or any exemption is granted under CA 1967, shall be an offence against CA 1967 and in respect of any such offence for which no penalty is expressly provided the offender shall be liable to a fine of not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

During the Financial Periods Under Review and up to the LPD, our Group has been engaging in activities of importation and/or exportation of specialty industrial chemical products and rubber products. Among the speciality chemical industrial products imported and exported by Eckem, some of the products fall within the CA 1967 and its regulations which requires an import license or export license from the relevant authorities.

During the Financial Periods Under Review, our former employee, namely Pang Chew Len, held valid license to import, store and sell by wholesale the poisons on behalf of our subsidiary, Eckem. The license was issued by a licensing officer from the Selangor State Health Department under the MOH and remained valid until her departure from our Group with effect from 1 August 2025.

Pursuant to Pang Chew Len's departure from our Group, Eckem applied for a new license and as at the LPD, our Chief Operating Officer, namely Tan Khai Wen, holds valid license to import, store and sell by wholesale the poisons, as listed in the Appendix I of this Prospectus, on behalf of Eckem. The license, which permits the export of poisons under its terms, was issued by a licensing officer from the Selangor State Health Department under the MOH and is valid from 1 January 2026 until 31 December 2026.

For the Financial Periods Under Review and up to the LPD, our Group is in compliance with the abovementioned provisions under the CA 1967 and its relevant regulations.

(I) Control of Supplies Act 1961 ("CSA 1961") and Control of Supplies Regulations 1974 ("CSR 1974")

The CSA 1961 is an act to provide for the control and rationing of supplies. Section 2 of the CSA 1961 states that "controlled article" means any article or food which has been declared to be a controlled article by an order under section 5 of the CSA 1961 and includes a rationed article. Regulation 2 of the CSR 1974 further states that "scheduled article" means controlled article defined under CSA 1961 which includes inter alia, kerosene, petrol, motor spirit and motor gasoline of all grades, all grades of fuel, and mixture of diesel fuel and biofuel and liquified petroleum gas.

6. INFORMATION ON OUR GROUP (Cont'd)

Section 6 of the CSA 1961 states that the Minister of Domestic Trade and Cost of Living may make regulations generally for carrying into effect the provisions of the CSA 1961. Pursuant to Regulation 18(1) of the CSR 1974, any person who carries on any trade or business, which in the course of the trade or business he uses or consumes any of the scheduled article as specified in the CSR 1961, shall not have in his possession, inter alia, liquified petroleum gas exceeding 42 kg, all grades of petrol exceeding 20 litre and all grades of diesel fuel exceeding 20 litre.

Under the CSA 1961, an application for permit shall be made in writing to the Controller of Supplies and shall be accompanied with any information as may be determined by the Controller of Supplies and the Controller of Supplies may impose any conditions he deems fit for the issuance of permit.

The CSR 1974 further states that any person who contravenes or fails to comply with any provision of the CSR 1974, or any direction given thereunder, or the terms and conditions of any licence, written authority or permit granted, issued or renewed, shall be guilty of an offence. Any body corporate which commits an offence shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

As at the LPD, our subsidiary, Novatex Product, being the only company within our Group that engages in manufacturing activities, has obtained valid scheduled controlled goods permit issued by the Ministry of Domestic Trade and Cost of Living to purchase and store liquefied petroleum gas up to the limit as stated in the permit for the operation of certain machineries in the course of its manufacturing activities. For the Financial Periods Under Review and up to the LPD, Novatex Product is in compliance with the CSA 1961 and CSR 1974.

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6. INFORMATION ON OUR GROUP (Cont'd)**Singapore****(a) Regulation of Imports and Exports Act 1995 ("RIEA 1995") of Singapore and Regulation of Imports and Exports Regulations ("RIER") of Singapore**

The RIEA 1995 is administered by the Director-General of Customs appointed under Section 4(1) of the Singapore Customs Act 1960 and provides for the regulation, registration and control of imports and exports. The relevant regulatory body is the Singapore Customs. RIER requires permits to be granted for the import, export or transshipment of certain goods.

Any importer, exporter, shipping agent, air cargo agent, freight forwarder, common carrier or other person who desires to obtain a permit, certificate or any other document or form of approval for any purposes of the RIEA 1995 or any regulations made thereunder, the application for which involves a declaration being made, is a "declaring entity". Under Regulation 35B of the RIER, unless the Director-General of Customs allows in any particular case, no declaration may be made for any purposes of the RIEA 1995 or any regulations made thereunder unless the declaring entity, and the declaring agent and the declarant, are registered by the Director-General of Customs prior to the making of the declaration.

An entity which is registered under the former Regulation 37(1) of the RIER in force immediately before 2 April 2013 shall be deemed to have been so registered.

Except where otherwise provided, any person who is guilty of an offence under the RIER shall be liable, (a) on the first conviction to a fine not exceeding SGD100,000 or 3 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 2 years or to both; and (b) on the second or subsequent conviction to a fine not exceeding SGD200,000 or 4 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 3 years or to both.

For the Financial Periods Under Review and up to the LPD, Eckem Singapore is in compliance with the RIEA 1995 and RIER by appointing a declaring agent who was duly registered with the Director-General of Customs.

6.5.18 Interruptions to our business and operations

Save for the interruptions to our business operations arising from the COVID-19 pandemic, we did not experience any other interruptions to our operations which had a significant effect on our business and operation during the Financial Periods Under Review and up to the LPD.

While the outbreak of the COVID-19 pandemic in Malaysia since 2020 had led to minor interruptions to our business operations as we experienced slight delays in supply delivery due to movement restrictions imposed by the Government during the first MCO, there was no material disruptions on our delivery schedule during the COVID-19 pandemic that caused material adverse impact on our business activities. The outbreak of COVID-19 pandemic had also led to an increase in logistics prices in 2021 and 2022 due to the global supply chain disruptions, however, there was no material impact to our financial performance as we were able to pass on the increased cost to our customers.

6. INFORMATION ON OUR GROUP (Cont'd)**6.6 OUR BUSINESS STRATEGIES****6.6.1 We intend to deepen our penetration and strengthen our market position**

We principally operate in Malaysia and Singapore through our subsidiaries or sales representatives. As such, Malaysia and Singapore are the foundation for further growth of our business. We will continue to focus on strengthening our brand recognition and solidifying our current market position by deepening our penetration of the specialty industrial chemicals industry in Malaysia and Singapore, respectively, through the selling of a more diversified range of products to our customers to serve their different demands.

We believe our brands and wide range of products position us well to deepen our penetration of these markets where we see following opportunities for our specialty industrial chemical products:

- We aim to align our product offering accordingly to take advantage of our maturing relationships with our customers by offering them an even more diversified range of products, some of which they may have sourced from other industry players previously;
- We plan to increase our market share in the personal care, household and automotive coatings and care end user applications by managing our product offerings to align with the latest industry trends and better serve our customers' demands; and
- We plan to increase our sales and marketing team to further diversify our customer base and grow our international presence.

6.6.2 We intend to construct our new corporate office, warehouse and laboratory

We currently operate from our offices, warehouses and laboratory located at Property No. 3, Property No. 17 and Property No. 19 which collectively have a total built-up area of approximately 17,138 sq ft. Our employees currently occupied the available floor space and as our Group continues to expand, the existing premises will not be able to provide sufficient capacity for us to accommodate the growing workforce and the additional space required for product storage to support the increasing demands of our business.

Our Group currently owns 2 adjoining parcels of land at Lot 93505 and Lot 93506 with a combined total land area of 102,860 sq ft. We intend to construct our new corporate office, warehouse and laboratory on these 2 parcels of land at Lot 93505 and Lot 93506.

In conjunction with our business growth plans to scale up our operations to cater to the rising demand for our specialty industrial chemical products, personal care, automotive coatings and care and lifestyle products, we recognise the need for additional facilities comprising a warehouse and laboratory. Given that a significant portion of our customer base is concentrated in the central region of Peninsular Malaysia, particularly in Kuala Lumpur and Selangor, we plan to construct a new corporate office and warehouse.

The new corporate office and warehouse will not only support our expansion by providing the necessary space for our increasing workforce but also enhance our operational efficiency in serving our customers in the central region of Peninsular Malaysia. The planned construction of our new corporate office and warehouse will enable us to centralise our business operations, as well as improve customer service, ultimately allowing us to meet growing demand more effectively. Moreover, the new office and warehouse will help strengthen our market presence and support our long-term growth objectives. We will also set up a laboratory in our new corporate office and warehouse where we will store samples of the specialty industrial chemical products that we distribute as well as customise specialised

6. INFORMATION ON OUR GROUP (Cont'd)

industrial chemical solutions to meet the requirements and applications of our customers and market demands. We will be able to produce small batches of samples and perform tests to assess the performance and characteristics of the sample batches.

An illustration of the new corporate office, warehouse and laboratory is below:



Artist impression of our new corporate office, warehouse and laboratory

The new corporate office, warehouse and laboratory will have an estimated built-up area of approximately 22,238 sq ft, 51,034 sq ft and 1,500 sq ft, respectively. The new corporate office, warehouse and laboratory is significantly larger than our current operational facilities, due to the larger space allocation for warehousing capacity in our new corporate office. This will enable us to gradually scale up our business as we intend to grow our customer base, increase our sales of specialty industrial chemical products and increase our inventory levels of high demand and widely used specialty industrial chemical products to maintain prompt and continuous supply to our customers.

We intend to utilise RM6.00 million or 40.00% of the proceeds from our Public Issue for construction of new corporate office, warehouse and laboratory. The total construction cost of our new corporate office, warehouse and laboratory is estimated at RM12.41 million, of which the balance of RM6.41 million of the total construction cost will be funded via bank borrowings to be drawn. On 30 August 2023, our Group secured funding of RM11.14 million from Alliance Islamic Bank Berhad but we have yet to draw down from this facility as at the LPD. The excess of RM4.73 million from the funding secured from Alliance Islamic Bank Berhad upon deducting the RM6.41 million required for construction cost will be used for working capital purposes.

We have not allocated any proceeds from our Public Issue for the purchase of equipment for the laboratory as we will be able to continue using our existing equipment. We have allocated RM1.00 million of the proceeds from our Public Issue for the expansion of our workforce under our working capital to recruit additional 10 employees for business development, sales and marketing, purchasing as well as human resources and administration departments to support the growth of our existing business operations and the expected growth in our business. Further, we intend to allocate RM0.18 million from our internal generated funds for the recruitment and salaries of 3 additional employees for warehouse and 1 additional chemist for QC specifically for the operations of our new warehouse and laboratory over a period of 12 months.

6. INFORMATION ON OUR GROUP (Cont'd)

The breakdown of the total construction cost of our new corporate office, warehouse and laboratory based on the quotation obtained by our management is as follows:

Description	Estimated costs RM'000
Construction of new corporate office, warehouse and laboratory comprising:	10,411
- Civil and structural works	8,442
- Mechanical and electrical works	655
- Refuse chamber	14
- Sprinkler system	1,300
Earthworks and pilling works	2,000
Total	12,411

The indicative timeline for the construction of our new corporate office, warehouse and laboratory are as follows:

Estimated timeframe	Milestones
T	Submission of building plans to local council for construction of new corporate office, warehouse and laboratory
T + 9 months	Obtain the approvals and permission from local council the construction of new corporate office, warehouse and laboratory
T + 12 months	Commencement of construction of new corporate office, warehouse and laboratory
T + 24 months	- Completion of new corporate office, warehouse and laboratory - Submission of CCC applications, relevant licenses and other certificates for new corporate office, warehouse and laboratory, which includes, amongst others, the following: - Application to the local authority for business premise and advertisement licenses; and - Application to the MOH for a license to import, store and sell by wholesale of poisons.
T + 30 months	Obtain the CCC, relevant licenses and other certificates for new corporate office, warehouse and laboratory
T + 33 months	Furnishing and installation of warehouse equipment
T + 36 months	Commence operations

6. INFORMATION ON OUR GROUP (Cont'd)**Note:**

T – Listing date

Upon completion of the new corporate office, warehouse and laboratory, we intend to:

- (a) centralise our warehouse and operations to improve the overall efficiency of our supply chain and operational processes, by relocating Property No. 3, Property No. 17 and Property No. 19 to the new corporate office, warehouse and laboratory;
- (b) rent out Property No. 3 and Property No. 19 to generate passive income from non-core assets; and
- (c) discontinue the rental of Property No. 17 upon the expiry of tenancy.

6.6.3 We intend to expand new production line for our rubber products

Presently, our subsidiary, Novatex Product manufactures rubber products at Property No. 13 where we have 1 production line installed with a total annual production capacity of 134 MT. The utilisation rate of this manufacturing facility was 71.23% in FYE 2025. As we plan to grow our manufacturing and trading of rubber products segment and anticipates a higher utilisation rate of our manufacturing facility, hence we intend to increase our production capacity by adding a new production line.

We intend to utilise RM2.00 million or 13.33% of the proceeds from our Public Issue for the expansion of new production line for our rubber products. We intend to rent an additional factory unit in Rawang with an estimated built-up area of approximately 9,500 sq ft as production area and storage for rubber products and office. We intend to install the new production line for rubber products at this new factory unit in Rawang.

Our Group will maintain a separate premise for the manufacturing of rubber products away from our new corporate office for ease of monitoring Novatex Product operations which are located in the same vicinity, and to prevent any potential cross contamination that may affect the manufacturing of our rubber products.

The breakdown of the estimated cost for the expansion is as follows:

Description	Estimated costs
	RM'000
Installation of new production line ⁽¹⁾	800
Factory rental ⁽²⁾	300
Staff salaries and recruitment costs ⁽³⁾	900
Total	2,000

Notes:

- ⁽¹⁾ Comprising 1 new production line for the manufacturing of rubber products, whereby the estimated cost was based on the quotation obtained and our management's previous experience in setting up Novatex Product's existing production line.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Comprising 12 months rental and 3 months deposit, whereby the estimated rental was based on the market rate of similar size of factory from the publicly available sources.
- (3) We intend to recruit the 4 supervisors and 16 general workers to operate the new production line. The salaries for the 20 employees for a period of 12 months are estimated to be approximately RM900,000.

Any shortfall in financing the above-mentioned costs required for the expansion will be funded via our Group's internally generated funds.

As at the LPD, our total annual production capacity stands at 134 MT. With the expansion of this new production line, our combined annual production capacity will increase to 268 MT.

This expansion will not only allow us to increase production output to meet the growing demand for our rubber products, but will also enhance our operational efficiency and flexibility by enabling us to manufacture different types or specifications of rubber products concurrently without the need for frequent production line changeovers or reconfiguration of production settings. This flexibility will improve our production planning and allow us to respond more efficiently to customer requirements and market demand, while maintaining stable operations and delivery timelines.

The indicative timeline for the expansion is as follows:

Estimated timeframe	Milestones
T + 12 months	• Enter into rental agreement • Submission of building plan to local council for building renovation
T + 15 months	• Obtain the approval and permission from local council for building renovation • Commencement of building renovation
T + 18 months	• Completion of building renovation • Application to the local authority for business premise and advertisement licenses • Application to DOSH for installation of machinery and equipment • Application to the authorities for the necessary approvals and/or licenses for the operation of the new production line, which includes, among others, the following: • Application to the MRB for a license to buy and store rubber for the manufacture of rubber products; • Application to the MIDA for a manufacturing license or exemption of manufacturing license, whichever is applicable; and • Application to the MDA for an establishment license and/or medical device registration certificates, if required

6. INFORMATION ON OUR GROUP (Cont'd)

Estimated timeframe	Milestones
T + 23 months	• Approval from local authority and DOSH • Installation of machinery and equipment • Obtain the approvals and/or licenses from the relevant authorities for the operation of the new production line
T + 24 months	• Commence operations

Note:

T – Listing date

6.7 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for the Financial Periods Under Review and up to the LPD:

- (a) Sale and purchase agreement entered between Sime Darby Property (Bukit Raja) Sdn Bhd and Eckem for the purchase of land situated at Lot 168659 dated 24 August 2022 at a purchase price of RM14,846,888, which was completed on 27 September 2023.
- (b) Sale and purchase agreement entered between Sime Darby Property Berhad and Eckem for the purchase of land situated at Lot 93505 dated 31 December 2020 at a purchase price of RM5,041,547, which was completed on 4 May 2021.
- (c) Sale and purchase agreement entered between Sime Darby Property (Bukit Raja) Sdn Bhd and Entire Concept for the purchase of land situated at Lot 168658 dated 24 August 2022 at a purchase price of RM11,695,888, which was completed on 28 November 2023.
- (d) Sale and purchase agreement entered between Sime Darby Property Berhad and Entire Concept for the purchase of land situated at Lot 93506 dated 31 December 2020 at a purchase price of RM5,041,547, which was completed on 5 May 2021.
- (e) Sale and purchase agreement entered between Worldklang Group Properties Sdn Bhd and Entire Concept for the purchase of land situated at Lot 86498 dated 20 June 2022 at a purchase price of RM4,997,999.30, which was completed on 15 January 2025.
- (f) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Eckem, which was completed on 31 March 2026.
- (g) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Entire Concept, which was completed on 31 March 2026.
- (h) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Eckem JB, which was completed on 31 March 2026.
- (i) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Enrich Chemicals, which was completed on 31 March 2026.
- (j) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Novatex Product, which was completed on 31 March 2026.

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

- (k) Conditional Share Sale Agreement dated 18 August 2025 in relation to the Acquisition of Eckem Singapore, which was completed on 20 March 2026.
- (l) Underwriting Agreement.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 PROPERTY, PLANT AND EQUIPMENT

6.8.1 Material properties

(a) Properties owned by our Group

As at the LPD, the properties owned by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land codes or building regulations/by-laws, which have material adverse impact to operations. The summary of the material properties owned by our Group as at the LPD are set out below:

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(i)	Registered owner: Eckem Postal address: Property No. 8 Title details: HS(D) 162430, PT 80771, Mukim Kapar, Daerah Klang, Selangor	Description of property: 1-storey factory and 2-storey office with 1-storey office and mechanical and electrical systems installed on the upper storey Existing use: Vacant Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 67,780 Built-up area: 45,928	Date issuance CF/CCC: 14 June 2022	of of	Express condition: Medium industry Encumbrances: The land is charged to Ambank (M) Berhad Restriction-in-interest: N/A	10,728

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(ii)	Registered owner: Eckem Postal address: No. 16, Jalan Anding 2/KU5, Bandar Bukit Raja, 41050 Klang, Selangor Title details: Lot 168659	Description of property: Vacant land Existing use: Vacant land Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 112,483 Built-up area: N/A	Date issuance CF/CCC: N/A	of of	Express condition: Medium industry Encumbrances: The land is charged to Hong Leong Bank Berhad Restriction-in-interest: N/A	13,695
(iii)	Registered owner: Eckem Postal address: No. 10, Persiaran Usahawan, Taman Perdagangan Elmina, 47000 Sungai Buloh, Selangor Title details: Lot 93505	Description of property: Vacant land Existing use: Vacant land Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 51,430 Built-up area: N/A	Date issuance CF/CCC: N/A	of of	Express condition: Medium industry Encumbrances: The land is charged to Alliance Islamic Bank Berhad Restriction-in-interest: N/A	5,237

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(iv)	Registered owner: Eckem Postal address: Property No. 3 Title details: HS(D) 55012, PT 56431, Mukim Klang, Daerah Klang, Selangor	Description of property: A 2-storey semi-detached factory Existing use: Head office and warehouse of Eckem and Enrich Chemicals Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 10,495 Built-up area: 6,185	Date issuance CF/CCC: 28 June 2000	of of	Express condition: Industry Encumbrances: The land is charged to Public Bank Berhad Restriction-in-interest: N/A	2,078

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(v)	Registered owner: Eckem Postal address: Property No. 138 Title details: HS(D) 47361, Lot 21866, Mukim 15, Daerah Seberang Perai Selatan, Pulau Pinang	Description of property: 2-storey semi-detached shop lot Existing use: Vacant Expiry of lease: Freehold Category of land use: None	Land area: Approximately 3,897 Built-up area: 2,500	Date issuance CF/CCC: 15 August 2014	of of	Express condition: The land comprised in this title: (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Land Administrator's right of way; and	478

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
						(b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land) Encumbrances: N/A Restriction-in-interest: N/A	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(vi)	Registered owner: Entire Concept Postal address: No. 18, Jalan Anding 2/KU5, Bandar Bukit Raja, 41050 Klang, Selangor Title details: Lot 168658	Description of property: Vacant land Existing use: Vacant land Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 88,619 Built-up area: N/A	Date issuance CF/CCC: N/A	of of	Express condition: Medium industry Encumbrances: The land is charged to Ambank (M) Berhad Restriction-in-interest: N/A	10,791
(vii)	Beneficial owner: Entire Concept Postal address: No. 9, Jalan Inovatif 2/1, KIIP@Kuala Langat, 42700 Banting, Kuala Langat, Selangor Title details: Lot 86498	Description of property: Vacant land Existing use: Vacant land Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 71,397 Built-up area: N/A	Date issuance CF/CCC: N/A	of of	Express condition: Medium industry Encumbrances: The land will be charged to Ambank (M) Berhad ⁽¹⁾ Restriction-in-interest: N/A	4,998

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Beneficial owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease/ Category of land use	Land area/ Built-up area sq ft	Date issuance CF/CCC	of of	Express conditions/ Encumbrance/ Restriction-in-interest	NBV as at 31 December 2025 RM'000
(viii)	Registered owner: Entire Concept Postal address: No. 12, Persiaran Usahawan, Taman Perdagangan Elmina, 47000 Sungai Buloh, Selangor Title details: Lot 93506	Description of property: Vacant land Existing use: Vacant land Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 51,430 Built-up area: N/A	Date issuance CF/CCC: N/A	of of	Express condition: Medium industry Encumbrances: The land is charged to Alliance Islamic Bank Berhad on 26 April 2021 vide submission no. 35122/2021 Restriction-in-interest: N/A	5,090
(ix)	Registered owner: Entire Concept Postal address: Property No. 19 Title details: HS(D) 55287, PT 56710, Mukim Klang, Daerah Klang, Selangor	Description of property: 2-storey terrace factory Existing use: Office, warehouse and laboratory of Entire Concept Expiry of lease: Freehold Category of land use: Industrial	Land area: Approximately 4,198 Built-up area: 4,888	Date issuance CF/CCC: 22 December 1999	of of	Express condition: Industry Encumbrances: The land is charged to Public Bank Berhad Restriction-in-interest: N/A	1,014

Note:

- (1) By virtue of a Deed of Assignment dated 8 September 2022, the land will be charged to Ambank (M) Sdn Bhd upon the registration of the individual title with Entire Concept, which is expected to take place in the second quarter of 2026.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Properties rented by our Group

The summary of the material properties rented by our Group as at the LPD are set out below:

No.	Postal address/ Title details	Landlord/ Tenant	Description of property/ Existing use	Land area/ Built-up area sq ft	Period of tenancy/ Rental per annum
(i)	Postal address: Property No. 17 Title details: HS(D) 55288, PT 56711, Mukim Klang, Daerah Klang, Selangor	Landlord: Tan Kwang Wah and Sam Lai Yoong Tenant: Eckem	Description of property: 2-storey terrace factory Existing use: Current office and warehouse of Eckem and Eckem JB	Land area: Approximately 5,360 Built-up area: 6,065	Period of tenancy: 2 years tenancy commencing from 1 October 2025 to 30 September 2027 Rental per annum: RM120,000
(ii)	Postal address: Property No. 13 Title details: HS(D) 88032, PT 3947, Bandar Kundang, Daerah Gombak, Selangor	Landlord: Myna Pro Sdn Bhd (Registration no.: 201401002596 (1078670-U)) Tenant: Novatex Product	Description of property: 1-storey factory with 3-storey office Existing use: Storage, office and rubber production activities	Land area: Approximately 12,008 Built-up area: 14,273	Period of tenancy: 2 years tenancy, commencing from 1 September 2024 to 31 August 2026 Rental per annum: RM132,000

The properties rented by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

(c) Acquisition of properties

Save as disclosed in Sections 6.7 (a), 6.7 (b), 6.7 (c), 6.7 (d) and 6.7 (e) of this Prospectus, we have not entered into any agreements to acquire any other properties during Financial Periods Under Review and up to the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)**6.8.2 Material plans to construct, expand or improve our facilities**

Save for the proceeds from our Public Issue to be used for our business strategies and plans as set out in Sections 4.9.1 and 6.6 of this Prospectus, our Group does not have any other immediate plans to construct, expand and improve our facilities as at the LPD.

6.8.3 Production capacities and output

The storage space capacity, actual storage space utilised and utilisation rate for our distribution and sales of specialty industrial chemical products under our distribution, sales and product formulation of specialty industrial chemical products business segment are as follows:

	⁽¹⁾ Storage space capacity	Actual storage space utilised	Utilisation rate
	Pallets	Pallets	%
FYE 2022	708	352	49.72
FYE 2023	708	617	87.15
FYE 2024	708	575	81.21
FYE 2025	708	623	87.99

Note:

- ⁽¹⁾ Computed based on an aggregate of approximately 12,900 sq ft, comprising approximately 5,200 sq ft, 4,400 sq ft and 3,300 sq ft from Property No. 3, Property No. 17 and Property No. 19, respectively.

The production capacity, actual production output and utilisation rate for our manufacturing of rubber products business under our manufacturing and trading of rubber products business segment are as follows:

	⁽¹⁾ Production capacity	Actual production output	Utilisation rate
	MT	MT	%
FYE 2022	(1)_	(1)_	(1)_
FYE 2023	⁽²⁾ 133.65	82.19	61.50
FYE 2024	⁽²⁾ 133.65	100.24	75.00
FYE 2025	⁽²⁾ 133.65	95.20	71.23

Notes:

- ⁽¹⁾ Nil as Novatex Product only commenced the manufacturing of rubber products in the FYE 2023.
- ⁽²⁾ Computed based on 1 production line operating 8 hours per day from Monday to Friday and 4.5 hours per day on Saturday.

6. INFORMATION ON OUR GROUP (Cont'd)**6.9 EMPLOYEES**

As at the LPD, our Group has a total workforce of 35 permanent local employees with no contractual employees.

As at the LPD, all of our employees are Malaysians and are based in Malaysia, including our employees that manage the operations of Eckem Singapore.

Save for the transportation of specialty industrial chemical products and rubber products from our premises to customers which are carried out by third-party logistic service providers, we do not outsource any of our functions.

The breakdown of our Group's total workforce by department as at 31 December 2025 and as at the LPD is set out below:

Designation / Department	No. of employees	
	As at 31 December 2025	As at the LPD
Executive Directors and key senior management	5	5
Business development	1	1
Sales and marketing	2	2
Purchasing	1	1
QC ⁽¹⁾	2	2
Production	13	15
Warehouse	3	3
Accounting and finance	5	5
Human resources and administration	1	1
Total	33	35

Note:

⁽¹⁾ Comprises our in-house chemist and lab assistant.

None of our employees belong to any labour union.

During the Financial Periods Under Review and up to the LPD,

- (a) there has not been any industrial dispute pertaining to our employees; and
- (b) there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.10 MAJOR CUSTOMERS**

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

FYE 2022

No.	Customers	Country(ies)	Products sold	Revenue contribution		Length of relationship (1)Years
				RM'000	%	
1.	KCC Paints Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	7,506	17.49	7
2.	Customer Group A	Malaysia	Resins and additives	3,096	7.22	7
3.	Nippon Paint group of companies ⁽²⁾	Malaysia and Singapore	Resins, pigments, fillers, and additives	2,674	6.23	8
4.	Customer B	Malaysia	Additives	1,161	2.71	4
5.	Kossan Paint (M) Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	1,060	2.47	6
Sub-total for top 5 customers				15,497	36.12	
Total revenue				42,901	100.00	

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6. INFORMATION ON OUR GROUP (Cont'd)
FYE 2023

No.	Customers	Country(ies)	Products sold	Revenue contribution		Length of relationship (1)Years
				RM'000	%	
1.	KCC Paints Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	5,024	13.52	8
2.	Nippon Paint group of companies ⁽²⁾	Malaysia and Singapore	Resins, pigments, fillers, and additives	3,827	10.30	9
3.	Customer B	Malaysia	Additives	2,057	5.54	5
4.	Kossan Paint (M) Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	832	2.24	7
5.	Dong Ji (M) Sdn Bhd	Malaysia	Additives	830	2.23	7
Sub-total for top 5 customers				12,570	33.83	
Total revenue				37,151	100.00	

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6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2024**

No.	Customers	Country(ies)	Products sold	Revenue contribution		Length of relationship (1)Years
				RM'000	%	
1.	KCC Paints Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	4,468	10.17	9
2.	Nippon Paint group of companies ⁽²⁾	Malaysia and Singapore	Resins, pigments, fillers, and additives	3,700	8.42	10
3.	Customer C	Malaysia	Resins and additives	1,949	4.44	2
4.	Kossan Paint (M) Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	1,197	2.72	8
5.	Customer D	Malaysia	Resins, pigments, fillers, and additives	1,154	2.63	8
Sub-total for top 5 customers				12,468	28.38	
Total revenue				43,932	100.00	

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6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2025**

No.	Customers	Country(ies)	Products sold	Revenue contribution		Length of relationship (1) Years
				RM'000	%	
1.	Nippon Paint group of companies ⁽²⁾	Malaysia and Singapore	Resins, pigments, fillers, and additives	3,375	8.73	11
2.	KCC Paints Sdn Bhd	Malaysia	Resins, pigments, fillers, and additives	2,190	5.66	10
3.	Customer E	Malaysia	Additives	1,471	3.81	6
4.	Customer Group F	Malaysia	Additives	1,300	3.36	9
5.	Customer G	Malaysia	Resins, pigments and additives	1,073	2.78	2
Sub-total for top 5 customers				9,409	24.34	
Total revenue				38,662	100.00	

Notes:

⁽¹⁾ The length of relationship is determined at each of the respective financial periods.

⁽²⁾ The entities within Nippon Paint group of companies that our Group transacted with comprise Nippon Paint (Malaysia) Sdn Bhd, Vital Technical Sdn Bhd, CMI Construction Material Industry Sdn Bhd, Nippon Paint (Singapore) Co., Pte. Ltd. and Nippon Paint (Sabah) Sdn Bhd, which are subsidiaries of Nippon Paint Holdings Co., Ltd., a public company based in Japan that is listed on the Prime Market of Tokyo Stock Exchange. Nippon Paint Holdings Co., Ltd. is involved in the paint and coatings business which manufactures and sells automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints, and the adjacencies business which manufactures and sells paint related products such as adhesives.

For the Financial Periods Under Review, our top 5 customers contributed 36.12%, 33.83%, 28.38% and 24.34% of our Group's total revenue respectively.

Notwithstanding that KCC Paints Sdn Bhd contributed 17.49%, 13.52%, 10.17% and 5.66% of our total revenue for the Financial Periods Under Review respectively, we are not dependent on KCC Paints Sdn Bhd as our sales with KCC Paints Sdn Bhd are transacted on a purchase order basis

6. INFORMATION ON OUR GROUP (Cont'd)

where revenue contributions from KCC Paints Sdn Bhd vary from year to year. Additionally, the resins, pigments, fillers and additives that we supply to KCC Paints Sdn Bhd are also supplied to our other customers. Further, our Group had a total of 394, 392, 405 and 422 customers during the FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

6.11 MAJOR SUPPLIERS

The table below lists our top 5 major suppliers for the Financial Periods Under Review.

FYE 2022

No.	Suppliers	Country(ies)	Products sourced	Actual purchases value		Length of relationship (1)Years
				RM'000	%	
1.	BASF SE group of companies ⁽²⁾	Malaysia and Germany	Resins and additives	19,567	59.11	9
2.	BLJ (Malaysia) Sdn Bhd	Malaysia	Resins	9,074	27.41	7
3.	Lanxess group of companies ⁽³⁾	Malaysia	Additives	1,359	4.11	2
4.	Worlée-Chemie GmbH	Germany	Resins, pigments and additives	564	1.70	7
5.	Supplier A	Taiwan	Resins	436	1.32	4
Sub-total of top 5 suppliers				31,000	93.65	
Total actual purchases				33,102	100.00	

6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2023**

No.	Suppliers	Country(ies)	Products sourced	Actual purchases value		Length of relationship (1)Years
				RM'000	%	
1.	BASF SE group of companies ⁽²⁾	Malaysia and Germany	Resins and additives	17,642	62.41	10
2.	BLJ (Malaysia) Sdn Bhd	Malaysia	Resins	4,619	16.34	8
3.	Lanxess group of companies ⁽³⁾	Malaysia	Additives	2,199	7.78	3
4.	Guangdong Deqing Jixin Synthetic Resin Co., Ltd	China	Resins	889	3.14	<1
5.	Ingevity UK Ltd	UK	Resins	400	1.42	4
Sub-total of top 5 suppliers				25,749	91.09	
Total actual purchases				28,268	100.00	

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6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2024**

No.	Suppliers	Country(ies)	Products sourced	Actual purchases value		Length of relationship (1)Years
				RM'000	%	
1.	BASF SE group of companies ⁽²⁾	Malaysia and Hong Kong	Resins and additives	17,688	59.37	11
2.	Lanxess group of companies ⁽³⁾	Malaysia	Additives	3,670	12.32	4
3.	BLJ (Malaysia) Sdn Bhd	Malaysia	Resins	3,276	11.00	9
4.	Guangdong Deqing Jixin Synthetic Resin Co., Ltd	China	Resins	848	2.84	1
5.	IGM group of companies ⁽⁴⁾	China and Taiwan	Resins and additives	760	2.55	6
Sub-total of top 5 suppliers				26,242	88.08	
Total actual purchases				29,794	100.00	

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6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2025**

No.	Suppliers	Country(ies)	Products sourced	Actual purchases value		Length of relationship (1) Years
				RM'000	%	
1.	BASF SE group of companies ⁽²⁾	Malaysia	Resins and additives	16,241	59.62	12
2.	Lanxess group of companies ⁽³⁾	Malaysia	Additives	3,299	12.11	5
3.	BLJ (Malaysia) Sdn Bhd	Malaysia	Resins	1,719	6.31	10
4.	Guangdong Deqing Jixin Synthetic Resin Co., Ltd	China	Resins	1,173	4.31	2
5.	IGM group of companies ⁽⁴⁾	China and Taiwan	Resins and additives	792	2.91	7
Sub-total of top 5 suppliers				23,224	85.26	
Total actual purchases				27,240	100.00	

Notes:

- (1) The length of relationship is determined at each of the respective financial periods.
- (2) The entities within BASF SE group of companies that our Group transacted with comprise BASF (Malaysia) Sdn Bhd, BASF Construction Additives GmbH and BASF Hong Kong Ltd, which are subsidiaries of BASF SE, a public company based in Germany that is listed on the Frankfurt Stock Exchange, London Stock Exchange and Zurich Stock Exchange. BASF SE is involved in the production of chemicals.
- (3) The entities within Lanxess group of companies that our Group transacted with comprise PCTS Specialty Chemicals (M) Sdn Bhd and Danisco Nutrition & Biosciences Malaysia Sdn Bhd, which are subsidiaries of Lanxess AG, a public company based in Germany that is listed on the Frankfurt Stock Exchange. Lanxess AG is involved in the development, manufacturing and marketing of chemical intermediates, additives and consumer protection products.
- (4) The entities within IGM group of companies that our Group transacted with comprise IGM Resins (Shanghai) Management Co., Ltd and IGM Resins International Trading Taiwan Ltd, which are subsidiaries of IGM Resins B.V., a private limited company based in Netherlands and is involved in the development, manufacturing and supply of products and technical services to the global UV ink and coating industry.

6. INFORMATION ON OUR GROUP (Cont'd)

For the Financial Periods Under Review, our top 5 suppliers contributed 93.65%, 91.09%, 88.08% and 85.26% of our Group's total actual purchases respectively.

During the Financial Periods Under Review, our Group was dependent on the following major suppliers that contributed to more than 10.00% of our total actual purchases, namely:

- BASF SE group of companies had contributed to 59.11%, 62.41%, 59.37% and 59.62% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively;
- Lanxess group of companies had contributed to 4.11%, 7.78%, 12.32% and 12.11% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively; and
- BLJ (Malaysia) Sdn Bhd had contributed to 27.41%, 16.34%, 11.00% and 6.31% of our total actual purchases in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

We had been an authorised distributor of BASF SE for its BASF range of resins and additives since 2013. This indicates a stable and long-term relationship between us and BASF SE. We were also appointed by Lanxess Pte Ltd and BLJ (Malaysia) Sdn Bhd in 2024. In the event that we lose our distributorships or supply from BASF SE group of companies, Lanxess group of companies and BLJ (Malaysia) Sdn Bhd, we may have to procure resins, pigments and fillers, and additives from other suppliers to fulfil our customers' orders, and this may adversely affect our profitability and financial performance.

As at the LPD, our Group had a total of 57 approved suppliers. Other than our appointments with third-party brand principals, we have no arrangements, agreements or contracts with the remaining approved suppliers.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.12 EXCHANGE CONTROL****Singapore****Exchange controls**

There are no foreign exchange control restrictions imposed under Singapore laws and there are no exchange control formalities or approvals required for all forms of payments or capital transfers into or out of Singapore. Eckem Singapore is not restricted in their ability to repatriate profits to our Group.

The return of capital proceeds by Eckem Singapore to our Group should not be subject to Singapore income tax as Singapore does not impose tax on capital proceeds or capital gains.

Pursuant to the provisions of the Companies Act 1967 of Singapore, capital may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with the provisions of the Companies Act 1967 of Singapore and the company's constitution (or memorandum and articles of association). There are no restrictions on payment of capital from a capital reduction exercise to foreign shareholders who are not subject to any financial sanctions or other restrictions imposed by the Monetary Authority of Singapore or other regulatory authorities.

A company may, if so authorised by its constitution (or memorandum and articles of association) and subject to the requirements imposed by the Companies Act 1967 of Singapore, buy back its own shares. Similarly, there are no restrictions on payment of the purchase price to foreign shareholders in respect of such purchase.

Dividend distribution

Singapore adopts the one-tier corporate tax systems, the tax paid by a Singapore tax resident company is a final tax and after-tax profits of the Singapore tax resident company can be distributed to its shareholders as tax-exempt dividends. Such dividends are exempted in the hands of all shareholders, regardless of the tax residency status of the shareholders. Singapore does not impose taxes on capital gains. There is no Singapore withholding tax on dividends paid to resident and non-resident shareholders.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.13 ESG PRACTICES

Our Group is committed to conducting business responsibly, prioritising the needs of key stakeholders. As at the LPD, no material ESG issues have been identified affecting our Group's business or operations.

We have implemented an ESG framework aligned with Bursa Securities' Sustainability Reporting Guide. A dedicated ESG function, oversees our Group's sustainability initiatives and ensures compliance with our ESG related framework, policies and strategies.

Our Group has implemented and committed to the following practices and measures:

(a) Environmental

Our Group believes in preserving and caring for the environment by adopting sustainable practices in our business activities. The measures that we have taken or plan to take (as the case may be) include the following:

Waste management

We are committed to minimising waste and promoting responsible disposal practices. By leveraging digital systems like AutoCount for stock records and inventory tracking, we reduce paper usage and mitigate risks of surplus or expired goods.

Office-wide recycling programs ensure responsible management of paper waste, while covering goods with canvas during transport prevents damage and reduces product loss. Through rigorous testing protocols examining density, viscosity, colour, and pH, we address product defects by offering 1:1 exchanges, alternatives, or technical support, minimising unnecessary waste.

These initiatives underscore our dedication to sustainable practices and environmental stewardship.

Safe storage of hazardous chemicals

We strictly adhere to the Guidelines on Storage of Hazardous Chemicals: A Guide for Safe Warehousing of Packaged Hazardous Chemicals to ensure the safe handling and storage of potentially hazardous materials. These measures are critical in minimising the risk of environmental contamination caused by leaks or spills.

By implementing stringent storage protocols, regular inspections, and staff training, we uphold the highest safety standards to protect both the environment and workplace integrity. This commitment reflects our dedication to fostering a secure and sustainable operational environment.

Disposal of wastes generated from business activities

All of the wastes generated from our business activities, including general industrial wastes, scrap rubbers and scheduled wastes, as well as any expired specialty industrial chemical products, are being stored at the designated areas on our premises. We engage with the licensed waste management collectors for the collection, transportation, treatment, and environmentally sound disposal of such wastes in compliance with the EQA 1974, EQSWR 2005, and the regulations incidental thereto.

6. INFORMATION ON OUR GROUP (Cont'd)

Under the arrangement with the collectors, such wastes are properly packaged, labelled, and stored in designated areas before being transferred to licensed facilities for treatment, recovery, or destruction. All disposal activities are documented to ensure traceability and compliance.

(b) Social

Our Group is dedicated to implement social initiatives to address social issues and promote the well-being of our stakeholders. Our Group's efforts to foster social equity, enhance quality of life and promote sustainable developments are as follows:

Occupational safety and health

Our operations strictly comply with the OSHA 1994. In alignment with this, we have in-house safety coordinators and established an emergency response team to oversee workplace health and safety, ensuring adherence to all relevant laws and regulations. Our personnel are equipped with advanced safety tools, comprehensive training, PPE, and up-to-date knowledge of health, safety, and environmental best practices. These efforts have fostered a safer working environment across our operational facilities.

- Safety training: Certified safety courses for forklift operators and other employees promote a culture of safety and reduce workplace accidents.
- Safe stacking practices: Implementing strict stock stacking height limits and ensuring stability safeguards employees from potential injuries caused by falling items.
- Zero incident record: Maintaining a perfect safety record underscores our commitment to creating and sustaining a safe and healthy workplace.

Employment diversity and equal opportunities

Our Group is dedicated to promoting gender and cultural diversity, fostering inclusion, and valuing employee talents to create a respectful and empowering workplace. We strictly comply with the Employment Act 1955 and uphold fair labour practices, including equitable wages, non-discrimination, and safeguarding labour rights. Key initiatives include:

- Promoting transparency: Clearly defined roles and responsibilities foster accountability, facilitate collaboration, and enhance team synergy.
- Equitable practices: Fair treatment in hiring, promotions, and wage structures ensures opportunities are accessible to all, regardless of gender, ethnicity, or background.

Through these measures, we remain steadfast in building a workplace culture that values diversity, encourages inclusion, and champions fairness for every employee.

Sustainable supply chain management

Our Group places great emphasis on the quality of our products and services. To maintain high standards, we implement a thorough due diligence process to vet and assess potential third-party brand principals and suppliers against specific criteria. As at 31 December 2025, assessments were completed for all existing third-party brand principals and suppliers.

6. INFORMATION ON OUR GROUP (Cont'd)

We also actively encourage partnerships with local suppliers to support the local economy and strengthen community ties. This initiative not only bolsters local businesses but also aligns with our dedication to sustainability and responsible sourcing practices.

(c) Governance**Adherence to laws and regulations**

Our Group is dedicated to conducting business with integrity and in full compliance with all applicable laws, regulations, rules, and requirements as outlined in Section 6.5.17 of this Prospectus.

MCCG

To uphold robust corporate governance, we are continuously aligning with the principles and practices of the latest MCCG, applying them where relevant and appropriate. This covers the following principles:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and establishing meaningful relationship.

Our Group is committed to conducting business with integrity and has adopted a zero-tolerance approach to bribery and corruption in all aspects of our operations. To mitigate corporate liability risks, we have established robust policies and procedures, including the formalisation and implementation of the Whistleblowing Policy, Anti-Bribery and Corruption Policy, Anti-Money Laundering (AML) Policy, and Code of Ethics.

Enterprise risk management

In line with our Group's risk management framework, our key senior management continuously update our Group's risk register. We regularly monitor the implementation of mitigation plans and action. Our Group remains committed to transparent reporting on risk exposures and corresponding mitigation measures.

Board representation

Our Group is committed to fostering a diverse and well-rounded Board, bringing together a wide range of perspectives and expertise. The Board comprises 6 professionals with backgrounds in specialty industrial chemicals industry, business management, sales, accountancy, audit, legal, compliance and finance. This diversity enriches Board deliberations and supports effective decision-making, innovation and strong governance across the organization.

In addition, the integrity of the Board is maintained through a balanced composition of 4 independent Directors and 2 executive Directors. The Board also meets the requirement of having at least 30% female representation, with 2 women Directors currently serving our Board.

6. INFORMATION ON OUR GROUP (Cont'd)

Integrity in corporate reporting

Our Group ensures transparency and accountability by engaging independent auditors to provide an accurate and fair assessment of our financial statements, reflecting the true financial positions of the entities within our Group. Meetings are convened to discuss our Group's performance, prospects, and other key matters of interest.

Additionally, stringent testing protocols are employed to verify product quality, ensuring adherence to established business practices and industry standards.

Our Board acknowledges the ever-changing nature of our business environment and the importance of adapting our ESG practices to address emerging challenges. To this end, the Board remains committed to proactively guiding the development and implementation of initiatives and action plans to continuously strengthen our Group's ESG framework.

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7. IMR REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
P-6-5, Pacific Towers, Jalan 13/6,
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

6 May 2026

The Board of Directors
ECKEM HOLDINGS BERHAD
No. 3, Jalan Anggerik Mokara 31/60
Seksyen 31
Kota Kemuning
40460 Shah Alam
Selangor
Malaysia.

Dear Sirs,

Outlook of the Specialty Industrial Chemicals and Rubber Products Industries in Malaysia in conjunction with the Listing of ECKEM HOLDINGS BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") has prepared this independent market research report on the Outlook of the Specialty Industrial Chemicals and Rubber Products Industries in Malaysia for inclusion in the Prospectus of ECKEM HOLDINGS BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without the prior express written consent of PROVIDENCE.

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Elizabeth Dhoss'.

ELIZABETH DHOSS
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions, competitive landscape and government regulations.

About ELIZABETH DHOSS:

Elizabeth Dhoss is the Executive Director of PROVIDENCE. She has more than 15 years of experience in market research for capital market exercises. Elizabeth Dhoss holds a Bachelor of Business Administration from the University of Malaya, Malaysia.

7. IMR REPORT (Cont'd)**1 SPECIALTY INDUSTRIAL CHEMICALS INDUSTRY IN MALAYSIA**

Chemicals refer to substances that are used in or produced through a reaction involving changes to atoms or molecules. Chemicals can be categorised as:

- **Commodity chemicals**

Commodity chemicals are produced in large volumes through standard manufacturing processes. These chemicals serve as raw materials or intermediaries in the production of various final products. Commodity chemicals are also used in the production of specialty chemicals. They include chemicals such as sulfuric acid, ammonia, chlorine and ethylene which are essential chemicals in the manufacturing, agriculture and construction industries. Commodity chemicals are also known as bulk chemicals.

- **Specialty chemicals**

Specialty chemicals differ from commodity chemicals in that they are sold on the basis of their performance or function rather than for composition (in contrast to commodity chemicals) and are generally tailored to meet specific customer requirements. They can be single-chemical molecules or formulations (combinations of several chemicals), whereby the composition influences the technical performance or functional value of the customer's product.

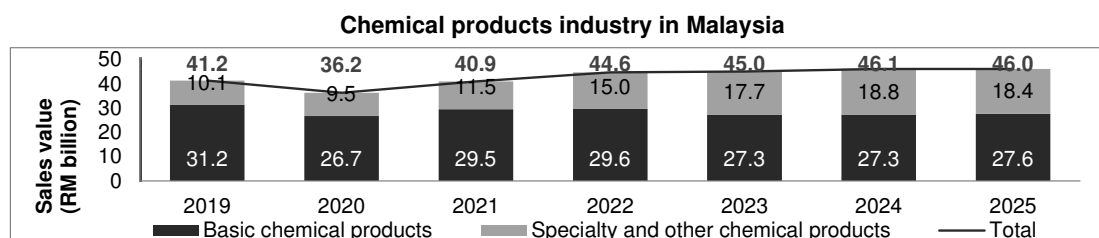
Specialty chemicals are typically high value chemicals produced through specialised manufacturing processes such as complex formulation, synthesis and purification, which lend to their unique properties. Specialty chemicals provide chemical effects to finished products whereby it can enhance their performance and function. Specialty chemicals are used widely in the automotive, consumer products, electronics, food and beverages, oil and gas, personal care, pharmaceutical as well as pulp and paper industries.

Eckem Holdings Berhad is principally involved in the distribution, sales and application formulation of specialty industrial chemicals as well as manufacturing and trading of rubber products whereby it carries out the following business activities:

- sourcing, distribution and sales of a diversified portfolio of specialty industrial chemical products that are raw materials or intermediaries in the manufacturing of paints and coatings, construction and building materials, personal protective equipment, inks, household and personal care, adhesives, automotive coatings and care; and
- manufacturing of rubber products comprising personal care products such as dental dams, latex sheets, prophylactic (oral) dams as well as lifestyle products such as exercise bands, and trading of rubber products.

INDUSTRY SIZE AND GROWTH

The chemical products industry in Malaysia, measured in terms of sales value of chemical products, increased from RM41.2 billion in 2019 to RM46.0 billion in 2025 at a CAGR of 1.9%. From this, the sales value of specialty and other chemical products increased from RM10.1 billion to RM18.4 billion at a CAGR of 10.5%, while the basic chemical products declined from RM31.2 billion to RM27.6 billion at a CAGR of -2.0%.



Source: Department of Statistics Malaysia, PROVIDENCE analysis

Malaysia's chemical products industry mainly comprises inorganic chemicals, agriculture chemicals, industrial gasses, fertilisers, paint and printing inks. Inorganic chemicals cover the production of chlor-alkali, acids, and specialty industrial chemicals such as silicates, oxides, hydroxides, acids, electronic chemicals and catalysts. Several companies in Malaysia that are involved in the mixing and blending or formulation

7. IMR REPORT (Cont'd)

or agricultural chemicals. Further, the chemical products industry also produces high purity gasses such as oxygen, nitrogen, hydrogen, carbon dioxide, acetylene, argon and nitrous oxide for use in industrial application such as welding, cutting, blanketing and hydrogenation. Malaysia's fertiliser output includes organic and inorganic fertilisers for agricultural activities. The production of paint and its related products comprise varnishes, shellacs, lacquers and thinners and printing inks.

The chemical products industry in Malaysia has historically been focused on basic chemicals and intermediates. However, there is growing demand for higher-value and more innovative products such as specialty industrial chemicals, as evidenced by growing sales value of specialty and other chemical products. PROVIDENCE projects the sales value of specialty and other chemicals to rise from RM18.4 billion in 2025 to RM22.5 billion in 2027 at a CAGR of 10.6%. The growth in specialty chemicals will be supported by the:

- long term economic growth which supports demand for specialty industrial chemicals;
- growth of end user markets that will support demand for specialty industrial chemicals; and
- foreign investment and domestic investment growth which support investments in specialty industrial chemicals.

DEMAND CONDITIONS: KEY GROWTH DRIVERS**Long term economic growth supports demand for specialty industrial chemicals**

Economic growth is a key driver for specialty industrial chemicals. In 2020, Malaysia's GDP contracted by 5.5% due to the COVID-19 pandemic which disruption economic activities on a widespread basis globally. The COVID-19 pandemic led to the imposition of movement controls in Malaysia commencing March 2020 which saw the demand for petroleum products specialty industrial chemicals declining by 5.5%. After experiencing significant supply and demand shocks triggered by the COVID-19 pandemic in 2020, economic activities improved moderately in 2021 and Malaysia achieved a modest GDP growth rate of 3.3% as most businesses were allowed to operate under less stringent movement controls and domestic demand gradually improved. The improvement in economic activities, domestic demand, export growth and labour market recovery in 2021 saw demand for specialty industrial chemicals increasing by 20.5% in the same year.

In 2022, Malaysia faced economic challenges ranging from a volatile external environment, surges in COVID-19 cases at the start of the year, labour shortages, supply chain disruptions, and rising inflation. Despite this, the nation's economy expanded by 8.9% in 2022. Concurrently, demand for specialty industrial chemicals increased by 30.9% in the same year. Malaysia's economy grew by 3.6% in 2023, supported by resilient domestic demand and further recovery in tourism activities. The more moderate growth also reflected normalising conditions from the high base in 2022, which was supported by the reopening of the economy and sizeable policy measures.¹ As the nation's economic activities began stabilising, demand for specialty industrial chemicals likewise registered a moderate growth rate of 17.8% in 2023.

In 2024, Malaysia's economy grew by 5.1% attributable to continued expansion in domestic demand and a rebound in exports. Strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans, namely the New Industrial Master Plan, National Energy Transition Roadmap and National Semiconductor Strategy, provided further impetus to investment growth. Malaysia's exports also recovered amid steady global growth, continued technology upcycle as well as higher tourist arrivals and spending. Demand for specialty industrial chemicals saw a growth rate of 6.5% in 2024.

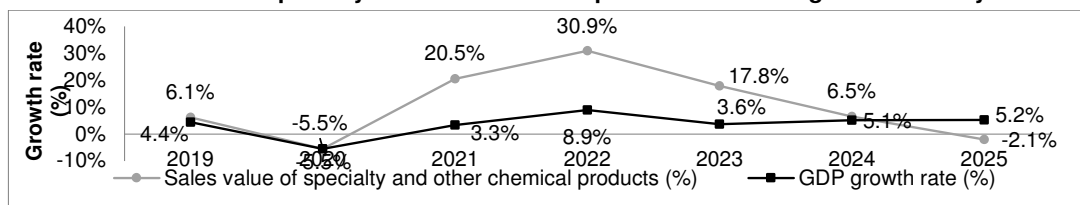
Malaysia's economy grew by 5.2% in 2025 (2024: 5.1%), supported by resilient domestic demand. Household spending remained firm, supported by positive labour market conditions and more targeted policy measures. Investment activity increased solidly, driven by continued progress in multi-year projects and strong investment approvals, particularly in high-technology services and advanced manufacturing.

¹ Economic and Monetary Review 2023, Central Bank of Malaysia

7. IMR REPORT (Cont'd)



Sales value of specialty and other chemical products and GDP growth in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

Growth of end user markets will support demand for specialty industrial chemicals

■ Construction

In 2019, growth in the construction sector moderated to 0.1% mainly due to the completion and near-completion of large infrastructure and mixed development projects. In the non-residential and residential subsectors, fewer and smaller new projects amid the commercial property glut and elevated level of unsold residential properties also contributed to the lower growth.

The construction sector contracted by 19.4% in 2020 due to reduced work capacity in compliance with containment measures, labour shortages arising from international border closures, supply chain disruptions and site shutdowns following the COVID-19 pandemic.

In 2021, the construction sector declined by 5.2% as construction activities in the residential and non-residential subsectors were affected by the extended periods of lockdown and reduced operating capacity. Nevertheless, the easing of the containment measures since August 2021 and the reopening of the economy supported the gradual improvement in construction activities towards the end of 2021.

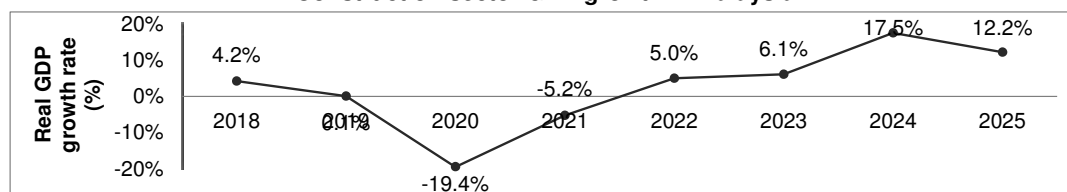
In 2022, the construction sector began showing signs of recovery and expanded by 5.0% following the picking up in construction activities. The non-residential subsector rebounded strongly from the previous year, on account of faster progress of large commercial real estate and industrial projects.

The construction sector registered a growth of 6.1% in 2023, supported by better labour supply conditions and easing of building material costs during the year. The growth was driven by the faster progress of multi-year projects, particularly in the transport and utilities segments. Meanwhile, growth in the residential subsector rebounded as housing demand improved further amid better income and employment conditions.

The construction sector registered a double-digit growth of 17.5% in 2024, driven mainly by multi-year infrastructure projects, particularly in the transportation segment. The residential subsector recorded higher activity, benefiting from new housing projects. This was in line with higher demand for housing as income and employment conditions improved. Additionally, the non-residential subsector rebounded driven by industrial and commercial projects.

The construction sector continued to record a double-digit growth of 12.2% in 2025 (2024: 17.5%), underpinned by the non-residential and special trade subsectors. Stronger expansion in the non-residential subsector was driven by industrial and commercial projects including the construction of data centres. Continued strong growth in the special trade subsector was supported by solar projects under the National Energy Transition Roadmap (NETR), small scale projects under Budget 2025 and large infrastructure projects that were nearing completion.

Construction sector GDP growth in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

Property development is a key driver of growth for the construction sector. Between 2019 and 2025, commercial, industrial and residential property transactions in Malaysia rose from RM116.2 billion to RM200.8 billion at a CAGR of 9.5%. From this,

7. IMR REPORT (Cont'd)



- residential property transactions rose from RM72.4 billion to RM108.3 billion at a CAGR of 6.9%;
- commercial property transactions rose from RM29.0 billion to RM58.7 billion at a CAGR of 12.5%; and
- industrial property transactions rose from RM14.8 billion to RM33.8 billion at a CAGR of 14.8%.

Growth in the construction sector is expected to expand by 9.1% in 2026 (2025: 12.2%), driven by continued activities across all subsectors. While some large infrastructure projects are nearing completion, growth in the civil engineering subsector will continue. It will be supported by the sustained development expenditure of the Government including for provision and upgrades of essential public infrastructure as announced under the Budget 2026.

■ Manufacturing

The manufacturing sector recorded a growth of 3.8% in 2019 as external demand affected manufacturing activity in the electrical and electronics (“E&E”) cluster while supply disruptions in key commodities led to lower production activities.

In 2020, the manufacturing sector contracted by 2.6% as restriction on operations, supply-chain disruptions and weak demand for manufactured products arising from the COVID-19 pandemic affected activities. Nevertheless, the E&E and consumer-related clusters witnessed a recovery in production activities once operating restrictions were lifted towards the end of the second quarter of 2020. In particular, Malaysia’s E&E industry benefited from greater demand associated with remote working, e-commerce, cloud-based services and healthcare products. This led to an increase in global demand for semiconductor equipment in telecommunication, medical devices and cloud computing devices. Meanwhile, production in the commodities and consumer-related clusters was supported by stronger pandemic-induced demand such as that for rubber gloves, pharmaceuticals and fiscal support such as sales and service tax exemption for the purchase of passenger cars.

In 2021, recovery in global and domestic demand supported growth in Malaysia’s manufacturing sector. Growth was mainly driven by capacity expansions in the E&E, commodities and consumer-related products manufacturing activities. The continued shifts towards digitalisation, remote working, e-commerce, cloud-based services, and medical devices supported demand for manufactured E&E products. Pandemic induced demand for rubber gloves and pharmaceuticals, improvement in domestic household spending and continued fiscal support also boosted manufacturing activities. In 2021, the manufacturing sector saw a growth of 9.5%.

In 2022, the manufacturing sector grew by 8.1% supported by global and domestic demand. The full upliftment of containment measures lent boosted production activities in Malaysia. Despite the slowdown in global semiconductor sales, growth in Malaysia’s E&E cluster remained supported by backlog in orders and demand related to technology trends such as electric vehicles, artificial intelligence and Internet of Things (“IoT”). Manufacturing activities were also supported by the improvement in household spending, higher demand for motor vehicles due to the sales and service tax exemption on passenger cars and ramping up in output at an oil refinery in Johor.

Growth in the manufacturing sector was slower in 2023 compared to 2022 due to weaker export demand for manufactured goods. In particular, the E&E industry was impacted by the slowdown in global semiconductor sales as firms experienced subdued external demand and elevated inventory levels. Nonetheless, the recovery in tourism activities and motor vehicles as well as construction activities generated demand for consumer products as well as building materials. As a whole, the manufacturing sector grew by 0.7% in 2023.

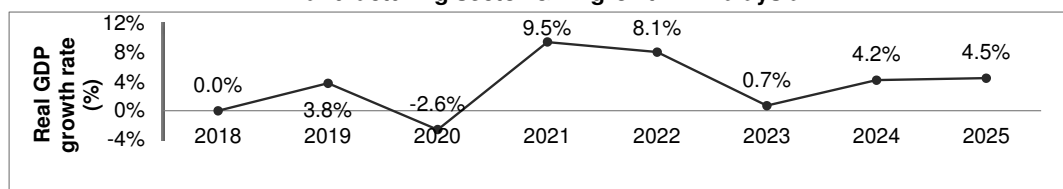
In 2024, the manufacturing sector expanded by 4.2% driven by a recovery in export-oriented clusters following stronger global trade and technology upcycle. The E&E industry gained from the global technology upcycle, as reflected by increased semiconductor sales. This was attributed to stronger demand in end-segments such as consumer electronics, computing and data centres. The primary-related cluster was lifted by higher refined petroleum output, on account of improved production at a key refinery in Johor. The consumer-related cluster growth was supported by higher crude palm oil production and a continued increase in motor vehicle output.

The manufacturing sector expanded by 4.5% in 2025, underpinned by steady growth in both export and domestic-oriented industries. Growth in the export-oriented segment was driven by strong E&E performance as demand for data centre and AI-related components continued to strengthen, alongside higher semiconductor investment. However, these gains were partly offset by moderation in the petrochemicals industry amid softer regional exports. Domestic-oriented industries also expanded, due to resilient household spending, stronger tourism-related demand for food and beverages as well as transportation segments, and higher output of construction-related materials in line with ongoing construction activity.

7. IMR REPORT (Cont'd)

Specialty industrial chemicals are widely used in manufacturing sector. Thus, growth in the manufacturing sector will bode well and support demand for specialty industrial chemicals.

Manufacturing sector GDP growth in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

▪ **Semiconductor and electronics industry**

The semiconductor and electronics industry encompasses the manufacturing and sales of semiconductor and electronics products. Between 2015 and 2025, the global semiconductor and electronics industry size, in terms of sales, has been increasing from USD335.2 billion (RM1.3 trillion) to USD795.6 billion (RM3.2 trillion), registering a CAGR of 9.0%.^{2,3} The rising worldwide demand for semiconductor and electronics products has been largely driven by:

- the technological revolution with 5G adoption and the emergence of IoT, artificial intelligence and big data analytics, which have resulted in the emergence of new final electronic products. New final electronic products that have been introduced to the market as a result of these technologies include smart factories (where machinery, equipment and tools are fully interconnected), autonomous cars (which are self-driving or driverless cars) and smart home devices (such as smart lighting, door locks and home appliances). This technological revolution of semiconductor and electronic products is expected to continue driving new developments in the semiconductor and electronics industry to produce more advanced semiconductor and electronic products in terms of performance, capacity and technology; and
- rapid technological advancements which have led to continuous introductions of new product innovations and advancements. Final electronic products, especially consumer electronic products, are subject to relatively shorter product lifecycles, given that consumers are highly receptive to new product innovations and advancements.

Increasingly, multinational semiconductor and electronics companies (comprising outsourced semiconductor assembly and test as well as electronic manufacturing service providers) have been relocating their manufacturing facilities to countries in Southeast Asia such as Malaysia. This is due to the lower operating costs and/or availability of talent; established local ecosystem of electronics manufacturing machinery, equipment, tools and supplies; as well as growing demand for final electronic products in these countries. Further, there are also new semiconductor chip assembly and test facilities being set up in Southeast Asia in order to alleviate the present semiconductor chip shortage. Southeast Asia also stands to benefit from the trade war between the United States of America (“**United States**”) and the People’s Republic of China (“**China**”) which has led to more multinational semiconductor and electronics companies setting up or expanding their operations in Southeast Asian countries.

Malaysia’s semiconductor and electronics industry is primarily export driven. Exports of semiconductor and electronics products from Malaysia grew from RM277.9 billion in 2015 to RM711.6 billion in 2025 at a CAGR of 9.9%.⁴

However, the Russia-Ukraine war which began in February 2022 could lead to a shortage in microchips globally if the war prolongs. Both Russia and Ukraine are key suppliers of palladium and neon, which are raw materials used in microchip manufacturing. While foundries have stocked up on these materials, a prolonged war could affect the supply of microchips globally which would consequently have an adverse impact on the manufacturing of new final electronic products, which could affect demand for automated manufacturing solutions. Despite this, the semiconductor and electronics industry is still expected to witness growth driven by factors identified above. This is expected to support demand for specialty industrial chemicals.

² Semiconductor Industry Association

³ Exchange rates from USD to RM in 2015 at USD1 = RM3.9064 and 2025 at USD1 = RM4.0570. Sourced from the Central Bank of Malaysia

⁴ Malaysia External Trade Development Corporation, PROVIDENCE analysis

7. IMR REPORT (Cont'd)

▪ **Automotive**

Malaysia's passenger cars and commercial vehicles sales rose from 580,085 units in 2016 to 604,287 units in 2019. Of this, sales of passenger cars rose from 514,594 units to 550,179 units while sales of commercial vehicles dipped from 65,491 units to 54,108 units. In 2020, automotive sales were affected by various restrictions imposed by the Government of Malaysia to curb the spread of COVID-19. As a result, the sales of passenger cars and commercial vehicles dipped from 604,287 units in 2019 to 529,434 units in 2020, comprising 480,965 units of passenger cars and 48,469 units of commercial vehicles. In 2021, sales further dropped, with 452,663 units of passenger cars and 56,248 units of commercial vehicles sold. In 2022, passenger cars and commercial vehicles sales witnessed a recovery and rebounded to 720,658 units comprising 641,773 units of passenger cars and 78,885 units of commercial vehicles. This growth is attributable to pent-up demand for new vehicles, the Governments' decision to allow buyers with confirmed booking (with sales tax exemption and submitted before 30 June 2022) to register their new passenger vehicles by 31 March 2023 and increasing demand for commercial vehicles from companies after the slowdown in prior years due to the COVID-19 pandemic. In 2023, sales continued to show improvement, rising to 799,731 units comprising 719,160 units of passenger cars and 80,571 units of commercial vehicles due to the resilient domestic economy, new model launches including electric vehicles with competitive prices and improved industry supply chain environment. In 2024, vehicle sales exceeded the 800,000 mark to reach 816,747 units comprising 747,180 units of passenger vehicles and 69,567 commercial vehicles. The growth in demand for vehicles in 2024 continued to be supported by Malaysia's resilient economy, positive employment market, fulfilment of backlog orders, new model launches with exciting features and technologies, battery electric vehicles (BEV) sales due to the tax incentives and introduction of new models as well as sales and promotional strategies by automotive companies.⁵ The automotive market maintained its strong momentum in 2025, as vehicle sales rose to 820,752 units. The Malaysian Automotive Association projects automotive sales to normalise to 790,000 units in 2026 after several years of high backlog.

Malaysia's shift towards green mobility is seeing the adoption of electric vehicles. According to data from the Road Transport Department, electric vehicle registrations rose from 4,308 registrations in 2022 to 15,669 registrations in 2023 and 28,048 registrations in 2024 at a CAGR of 155.2% between 2022 and 2024.⁶ Presently, the price of electric vehicles is still out of reach for many Malaysians. However, with the introduction of new electric vehicle models and commitment of foreign automakers to invest in local plants for the assembly of electric vehicle, electric vehicles may become more affordable and this may further encourage its sales.

The positive growth in automotive sales will bode well for industry players that are involved in the distribution, sales and application formulation of specialty industrial chemicals.

The demand for specialty industrial chemicals correlates to the growth of end user markets where these chemicals are widely used in various manufacturing processes. Growth in demand for specialty industrial chemicals in these end user markets will bode well for industry players that are involved in the distribution, sales and application formulation of specialty industrial chemicals.

Foreign investment and domestic investment growth support investments in specialty industrial chemicals

Malaysia recorded RM426.7 billion in approved investments in 2025, a 11.0% year-on-year growth compared to the RM384.4 billion raised in 2024. The services sector continues to be a key driver of Malaysia's economic expansion, securing RM281.3 billion in approved investments or 65.9% of the total approvals. The information and communication sub-sector led the sector's growth, attracting RM152.9 billion or 54.4% of total service sector investments. These investments reflect the country's rapid adoption of digital technologies across industries such as agriculture, healthcare, finance, tourism, and Islamic digital economy. Other segments of the services sector also received approved investments, namely real estate (RM78.2 billion), utilities (RM13.7 billion), support services (RM12.6 billion) and distributive trade (RM10.8 billion). Malaysia's manufacturing sector secured RM131.3 billion in approved investments or 30.8% of the total approvals. Foreign investments were the dominant contributor, totalling RM100.6 billion (76.6%), while domestic investments remained substantial at RM30.7 billion. This inflow of foreign capital underscores Malaysia's appeal as a global manufacturing hub. E&E industry secured the major share of investments in the manufacturing sector with RM28.5 billion or 21.7% affirming Malaysia's role in the global technology supply chain. Other segments within the manufacturing sector that also received approved investments

⁵ Malaysia Automotive Association

⁶ Number of EV users rising in Malaysia, The Edge Malaysia Weekly, 23 March 2025

7. IMR REPORT (Cont'd)

include chemicals and chemical products (RM24.9 billion), transport equipment (RM14.9 billion), basic metal products (RM11.1 billion) and machinery and equipment (RM11.1 billion). The primary sector registered approved investments of RM14.2 billion or 3.3% of the total approvals. The segments within the primary sector that received approved investments are mining (RM14.1 billion) and agriculture (RM51.4 million).⁷

Malaysia aims to attract quality investments, as this will be key in driving a more sustainable economic recovery for Malaysia and to achieve its aspirations of becoming a high-income nation. Foreign investment and domestic investment are important contributors to the country's economic growth and the Government of Malaysia has been proactive in encouraging growth based on productivity, innovation and shared prosperity in order for wages to continue rising. Foreign investment also plays an important role in supporting Malaysia's move to become a high-income technology-based economy.

INDUSTRY DYNAMICS***Product/service substitution and reliance and vulnerability to imports***

International and national chemical companies rely on specialty industrial chemicals trading and distribution industry players to distribute their brands and products to end users across various sectors in Malaysia. Thus, specialty industrial chemicals trading and distribution industry players play a key role in the downstream industry value chain and end user customers will continue to leverage on these industry players to source their supply of specialty industrial chemicals. These customers may also include distributors and retailers of chemical products that are unable to meet the minimum purchase volume requirements and lack the financial strength to meet the requirements of international and national chemical companies.

Industry challenges**Product innovation**

The manufacturing process of specialty chemicals is dynamic and flexible. The raw materials, products, processes, operating conditions and equipment used may change regularly. Given that specialty chemicals require complex formulation and customisation to make up the chemical producer's portfolio, expertise in understanding chemical compositions, properties and applications of various specialty chemicals is very important. However, the development, innovation and new technologies within the industry are still driven by international companies that have well-equipped facilities. This puts additional pressure on local players to remain competitive.

Ability to secure brand principals

International and national chemical companies assess industry players before engaging them to market and distributors their specialty industrial chemicals. This includes assessing, among others, their corporate profile, financial strength as well as ability to meet the minimum order requirements imposed by the international and national chemical companies respectively.

Crude oil prices

Crude oil is a commodity that is traded globally. It can be transported from one market to another by vessel or pipeline. Thus, crude oil prices are driven by global supply and demand. A major factor that affects the pricing of specialty industrial chemicals and ultimately crude oil, is economic growth.

The Organisation of the Petroleum Exporting Countries ("OPEC") can influence oil prices by setting production targets for its member countries, some of which have the world's largest oil reserves. However, production decisions are ultimately in the hands of the individual member countries of OPEC. In general, the main factors determining OPEC's ability to influence oil prices include the extent to which OPEC members comply with production quotas, the ability or willingness of consumers to reduce petroleum consumption in response to higher product prices, the competitiveness of non-OPEC producers when oil prices change and the efficiency of OPEC producers to supply oil compared with non-OPEC producers.

Geopolitical events

Geopolitical events and weather patterns that disrupt the flow of crude oil and petroleum products to market can affect crude oil and specialty industrial chemicals prices. These events may create uncertainty about future supply or demand, which can lead to higher price volatility. Oil price volatility is tied to the inelasticity of supply and demand to price changes in the short term. Crude oil production capacity and the equipment that uses petroleum products as its main source of energy are relatively fixed over a short period of time. It

⁷ Malaysia Performance Investment Report 2025, MIDA

7. IMR REPORT (Cont'd)

takes time to develop new supply sources or to vary production, and when prices rise, switching to other fuels or increasing equipment fuel efficiency in the short term is challenging. Global economic conditions that have influenced the historical prices of crude oil include geopolitical tensions and conflicts in the Middle East and the Russia-Ukraine war.

Maritime trade routes, such as the Strait of Hormuz and the Suez Canal, are critical for the transportation of raw materials and chemicals. Political instability in these areas can delay shipments and increase costs. The recent war in the Middle East has disrupted shipping across the Strait of Hormuz and resulted in a surge in crude oil prices and transportation costs as well as affected supply chains. Any of these could lead to higher cost of specialty industrial chemical products sourced from suppliers due to higher raw material and transportation costs.

Geopolitical conflicts often result in tariffs or restrictions that affect the import and export of specialty industrial chemical products. On 2 April 2025, the government of the United State of America ("USA") announced the imposition of reciprocal tariffs on imports into the USA from nearly every other nation and jurisdiction in the world, ranging from 10.0% to as high as 50.0%. As of 10 April 2025, the USA imposed a tariff of 24.0% on imports from Malaysia before announcing intentions to increase the tariff rate to 25.0% commencing 1 August 2025. Following negotiations between the governments of Malaysia and the USA, the USA announced lowering the tariff for Malaysia to 19.0% which took effect from 1 August 2025. These tariffs could potentially lead to lower demand for crude oil globally due to weaker economic environment. According to the International Energy Agency, while imports of oil, gas and refined products were given exemptions from the tariffs announced by the USA, concerns that the measures could stoke inflation, slow economic growth and intensify trade disputes weighed on oil prices.⁸ The reciprocal trade agreement between Malaysia and USA maintains a reciprocal tariff rate of 19.0% on Malaysian goods, including many chemicals, but also includes 0% tariff rates for specific products listed in Annex III of the Executive Order 14346. Certain Malaysian-made chemicals and pharmaceuticals, such as those listed in Annex III to Executive Order 14346, may be subject to the 0% rate, while others will be subject to the 19.0% rate unless they are on the list of 1,711 exempted tariff products. Eckem Holdings Berhad presently only exports rubber products to the USA, which is subject to the 19.0% rate. On 20 February 2026, the USA Supreme Court nullified the broad tariffs imposed by its President in 2025 by claiming authority under the International Emergency Economic Powers Act (IEEPA). To keep his tariffs in place temporarily, the USA President responded by invoking the balance of payments authority contained in Section 122 of the Trade Act of 1974 to an interim additional blanket tariff of 10.0% effective 24 February 2026, which will expire after 150 days unless extended by Congress.

COMPETITIVE LANDSCAPE

There are over 200 industrial chemicals companies in Malaysia comprising companies that are involved in the manufacturing, distribution, trading and/or sales of specialty industrial chemicals, inorganic chemicals, agricultural chemicals, industrial gasses, fertilisers, paint and printing inks.

The barriers to entry in the specialty industrial chemicals industry is high and includes the needs for skilled technical personnel in the development of formulations, ability to source specialty industrial chemicals from brand principals, market acceptance of products, product quality and branding as well as operating funds to purchase product inventories.

The chemical products industry in Malaysia, measured in terms of sales value of chemical products, increased from RM41.2 billion in 2019 to RM46.0 billion in 2025 at a CAGR of 1.9%. From this, the sales value of specialty and other chemical products increased from RM10.1 billion to RM18.4 billion at a CAGR of 10.5%, while the basic chemical products declined from RM31.2 billion to RM27.6 billion at a CAGR of -2.0%.

In the FYE 31 December 2025, Eckem Holdings Berhad generated a revenue of RM38.7 million from the distribution, sales and application formulation of specialty industrial chemicals as well as manufacturing and trading of rubber products. From this, Eckem Holdings Berhad generated RM35.8 million from the distribution, sales and application formulation of specialty industrial chemicals. When compared against the sales value of specialty and other chemical products in Malaysia of RM18.4 billion in 2025, Eckem Holdings Berhad garnered a market share of 0.2%.

The future prospects of Eckem Holdings Berhad will be supported by the long term economic growth which supports demand for specialty industrial chemicals, growth of end user markets that will support demand for specialty industrial chemicals as well as foreign investment and domestic investment growth which support investments in specialty industrial chemicals.

⁸ Trump tariffs will mean world uses less oil this year, IEA says, The Guardian, 15 April 2025

7. IMR REPORT (Cont'd)**Financial performance of industry players that are involved in the specialty industrial chemicals industry in Malaysia**

The following sets out the latest available revenues of private and public listed firms in Malaysia that are involved in the distribution and sales of specialty industrial chemicals:

Industry player	Latest available financial year ended	Group revenue ^b (RM)	Segmental revenue (RM)	Gross profit (RM)	Gross profit margin (%)	Profit before tax (RM)	Profit / loss before tax margin ^c (%)	Profit after tax (RM)	Profit / loss after tax margin ^c (%)
Acme Chemicals (Malaysia) Sdn Bhd	31 December 2024	14,116,497		6,158,645	43.6	-8,339,527 ^d	-59.1	-8,599,026	-60.9
Eckem Holdings Berhad	31 December 2025	38,661,760	35,755,107	10,740,314	27.8	5,956,620	15.4	4,477,923	11.6
IMCD Malaysia Sdn Bhd	31 December 2024	90,376,934		19,404,541	21.5	3,458,160	3.8	1,854,854	2.1
Ingredients Plus Sdn Bhd	31 December 2024	83,217,884		18,147,863	21.8	9,153,024	11.0	6,960,305	8.4
Luxchem Corporation Berhad ^a	31 December 2025	730,983,693	730,983,693	118,173,920	16.2	68,150,659	9.3	49,636,544	6.8
Samchem Holdings Berhad ^a	31 December 2025	1,109,998,000	1,095,114,000	124,130,000	11.2	26,692,000	2.4	19,225,000	1.7
Suka Chemicals (M) Sdn Bhd	31 December 2023	84,123,944		12,801,375	15.2	2,575,910	3.1	1,899,666	2.3
WWRC Malaysia Sdn Bhd	31 December 2024	378,929,201		57,772,160	15.2	26,631,134	7.0	22,127,445	5.8

Notes:

The key industry players that are involved in the distribution and sales of specialty industrial chemicals were identified based on publicly available sources, such as the internet, published documents and industry trade directories. The abovementioned key industry players were selected based on their respective business activities which meet one or more of the following criteria:

- involved in the distribution and sales of own brand or third party brands of additives; and / or
- involved in the distribution and sales of own brand or third party brands of resins; and / or
- involved in the distribution and sales of own brand or third party brands of pigments; and / or
- involved in the distribution and sales of own brand or third party brands of fillers; and
- generated revenue of RM10.0 million and above in the latest available financial year.

^a Listed on the Main Market of Bursa Malaysia Securities Berhad

^b May include revenue derived from other businesses as segmental revenue is not publicly available from the audited financial statements of the identified private companies from the Companies Commission of Malaysia

^c Computed in relation to group revenue

^d Mainly due to administrative expenses of RM5.0 million, other expenses of RM8.4 million and finance costs of RM1.3 million

Latest available as at 30 April 2026

Source: Various annual reports, company websites, Companies Commission of Malaysia, PROVIDENCE analysis

7. IMR REPORT (Cont'd)**2 RUBBER PRODUCTS INDUSTRY IN MALAYSIA**

Rubber can be broadly categorised as:

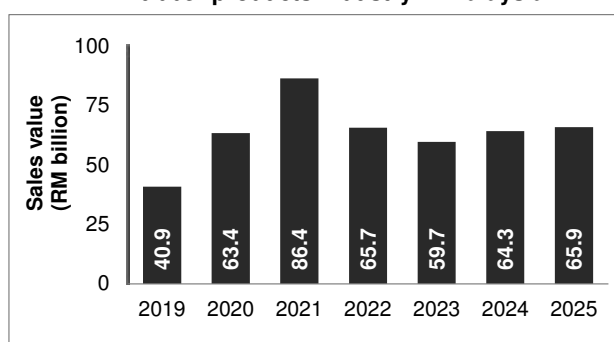
- natural rubber, which is obtained from the latex of Hevea tree species and typically used in the production of various types of rubber products such as tyres, automotive parts and gloves; and
- synthetic rubber, which is derived from petroleum by-products and mainly utilised in the production of rubber products either as an alternative to or complementing natural rubber.

Malaysia's rubber-based products industry consists of the following sub-sectors, namely latex products; tyres and tyre-related products; industrial rubber products; general rubber products; and rubber products.

The rubber sector supply chain is divided into the upstream, midstream and downstream segments. In the upstream segment, activities consist of plantation and agricultural activities comprising cultivation, planting and harvesting. In the midstream segment, rubber is processed into technically specified rubber (TSR) called block or standard rubber and latex concentrate. The downstream rubber segment covers the manufacturing of diverse products for transportation (such as tyres and belts), industry use (such as plates and bearings), general use (such as threads and shoes) and hygiene and medical application (such as gloves and condoms). Within the downstream segment in Malaysia, manufacturers are mainly present in the production of latex, industrial and general rubber products. The industrial and general rubber products sub-sector comprises companies that produce a wide range of rubber products for the consumer goods, automotive, E&E, machinery and equipment, and construction industries for the domestic and global markets. These include products such as mountings, beltings, hoses, tubings, seals and rubber sheets.

The rubber products industry in Malaysia, measured in terms of sales value of rubber products, increased from RM40.9 billion in 2019 to RM65.9 billion in 2025 at a CAGR of 8.3%. From the sales value of rubber products of RM65.9 billion in 2025, the sales value of rubber gloves comprised RM49.8 billion, rubber tyres and rethreaded tyres comprised RM3.4 billion, other products of natural or synthetic rubber, unvulcanised, vulcanised, rubber remilling and latex processing comprised RM6.7 billion, while the remaining RM6.0 billion comprised other rubber products. PROVIDENCE projects the rubber products industry to grow from RM65.9 billion in 2025 to RM73.5 billion in 2027 at a CAGR of 9.0%.

Rubber products industry in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

Malaysia's rubber industry is primarily export driven. According to the Malaysia External Trade Development Corporation, the exports of manufactured rubber products increased year-on-year by 22.6% to reach RM26.2 billion in 2024 before declining marginally to RM24.4 million in 2025. According to the Ministry of Plantation and Commodities, Malaysia exported RM14.0 billion worth of rubber gloves or 44.4% of rubber products in 2025, with the major export markets being the United States of America, Singapore, China, Japan, Germany, Australia and United Kingdom.

The barrier to entry in the rubber products industry is high as industry players require high capital investments to establish a manufacturing facility, including processing and packaging lines as well storage facilities. Industry players also require sufficient working capital to fund the acquisition of raw materials. As such, industry players that can secure sufficient sales and remain profitable are better positioned to sustain their business operations and remain competitive over the long term.

In the FYE 31 December 2025, Eckem Holdings Berhad generated a revenue of RM38.7 million from the distribution, sales and application formulation of specialty industrial chemicals as well as manufacturing and trading of rubber products. From this, Eckem Holdings Berhad generated RM2.9 million from the manufacturing and trading of rubber products. When compared against the sales value of other rubber products in Malaysia of RM6.0 billion in 2025, Eckem Holdings Berhad garnered a market share of 0.05%.

The future prospects of Eckem Holdings Berhad will be supported by the long term economic growth which supports demand for rubber products in various end user applications, population growth as well as expansion of the healthcare and consumer goods industries.

8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

8.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

8.1.1 We are dependent on our major suppliers for specialty industrial chemical products and we are subject to fluctuations in prices of raw materials

We distribute a variety of specialty industrial chemical products. While these chemicals have historically been generally available from a number of suppliers, there can be no assurance that this would continue to be the case in the future.

We generally purchase specialty chemical products from established suppliers, namely BASF SE group of companies, BLJ (Malaysia) Sdn Bhd and Lanxess group of companies, as well as from other suppliers. In FYE 2022, FYE 2023, FYE 2024 and FYE 2025, our top 5 major suppliers accounted for 93.65%, 91.09%, 88.08% and 85.26% of our total actual purchases, respectively. Please refer to Section 6.11 of this Prospectus for further details of our top 5 suppliers.

The prices of specialty industrial chemical products that we procure may be affected by a number of factors, including market supply and demand, changes in import duties, global economic condition and changes to environmental and regulatory requirements. The prices of our specialty industrial chemical products are to a certain extent related to the price of crude oil, being the base material in the production of specialty industrial chemical products. Any significant increases in the cost of our raw materials may increase our cost of sales and negatively affect our profit margin and, more generally, our business and financial performance. A reduction in, or lack of availability of specialty industrial chemical products or interruptions in the supply chain may also impact our profitability to the extent that we are required to pay higher prices for, or are unable to secure adequate supplies of, the necessary raw materials.

During the Financial Periods Under Review and up to the LPD, our Group has not experienced any incidences of disruptions of supplies from our suppliers that has materially affected our revenue. Further, during the Financial Periods Under Review and up to the LPD, our Group has not experienced any circumstances of fluctuations in prices of raw materials which adversely impacted our business operations and financial performance.

The recent war in the Middle East has disrupted shipping across the Strait of Hormuz and resulted in a surge in crude oil prices and transportation costs as well as affected supply chains. Any of these could lead to higher cost of specialty industrial chemical products that we source from our suppliers due to higher raw material and transportation costs. In the event that we are unable to pass on such increases in cost to our customers or source specialty industrial chemical products from alternative suppliers at more competitive prices, our business and financial performance could be adversely affected.

In response to price changes of raw materials, we seek to adjust the prices at which we sell our products to pass any increase in our costs to our customers to maintain our margins. If any supplier that we rely on for raw materials ceases or limits production, raises prices of its products or sells its products to alternate buyers, we may incur significant additional costs in order to find alternate and reliable raw material suppliers. We may also experience significant delays while locating new supply sources. If we were unable to pass on all or a portion of the increased cost of any of our raw materials to our customers, our financial performance may be affected.

8. RISK FACTORS (Cont'd)**8.1.2 Demand for our specialty industrial chemical products are dependent, among other things, on the condition of the economy of the countries in which we sell our products**

We derive revenue primarily from the distribution, sales and application formulation of specialty industrial chemical products segment in Malaysia and Singapore. During the Financial Periods Under Review and up to the LPD, we were not dependent on any specific end user industry as our customers operate across a broad range of end user industries.

In Malaysia and Singapore, general economic condition, interest rate levels, inflation and unemployment rates, demographic trends, gross domestic product growth and consumer confidence, among other things, influence the growth of industries where our products are widely used or applied. A decline in demand or a shift to lower value end products with a lower demand for our products resulting from deteriorating economic condition may adversely affect our business and financial performance.

8.1.3 We require various licenses and permits for the operation of our business

We are required to maintain various licenses and permits to operate our business operations. Please refer to Appendix I of this Prospectus for further details of the major approvals, licenses and permits that we require for our business operations. Failure to comply with the applicable laws or regulations may result in local authorities imposing fines or suspending our business operations.

We must obtain and comply with operating licenses, permits and registration certificates for the continuity of our business operations. If we are unable to renew or comply with our licenses, we may be forced to curtail or suspend our business operations, and this may incur other costs to remain in compliance and to obtain the required approvals, licenses and permits. Although our Group has not experienced any failure to renew our approvals, licenses and permits in the Financial Periods Under Review and up to the LPD, there can be no assurance that we will continue to be able to successfully renew our approvals, licenses and permits in the future, which may materially and adversely affect our business and financial performance.

8.1.4 We rely on our management team as well as the recruitment and retention of other qualified personnel

The success of our business depends on, to a considerable extent, the services, expertise and continuity of our management and other qualified technical personnel, most of whom have an in-depth understanding of our industry and operations and may be difficult to replace. Members of our management team are key to our success because of their expertise and experience in our industry and expertise in managing our operations. In addition, the relationship and reputation that our management team has established and maintained with our customers and suppliers contribute to our ability to maintain good relationships with customers and suppliers. As a result, a loss of any of our key management without timely replacement may adversely affect our business and results of operations.

Further, we rely on our in-house chemist and lab assistant to formulate new products to meet the technical and chemical property requirements of our customers as well as improve our existing products under our own brands of specialty industrial chemical products. As the number of chemists is limited in the market, there can be no assurance that we will be able to continue to attract and retain competent and experienced chemists. Further, we may also experience loss of chemists due to turnover that may cause a shortfall in our workforce, thereby limiting our business growth. Therefore, if our Group is unable to attract and retain skilled and experienced qualified personnel to keep pace with our expected growth, our competitiveness and business operations may be affected.

8. RISK FACTORS (Cont'd)**8.1.5 Our business operations are exposed to operational risks relating to selected hazardous chemicals**

We handle and store selected hazardous chemicals from time to time. Specifically, the solvent-based specialty industrial chemical products that we distribute to downstream industrial users can be hazardous. Improper handling of these chemical materials or wastes can result in pollution in contravention of the EQA 1974 and its related regulations. Any accidents resulting from improper handling of these chemicals may cause environmental, health and safety issues for our employees or others, cause damage to our facilities and result in interruptions or result in harm to the environment. Any of these events may also lead to litigation, government fines or penalties, which in turn may adversely affect our reputation, financial condition and results of operations.

Our business involves the handling of chemicals, which, if handled improperly, may result in health and safety issues for our employees, as well as physical injury. If work-related accidents resulting in employee injuries occur, we may be liable for medical and other payments to the employees, in addition to possible fines or penalties. If we incur substantial liabilities and they are not covered by our insurance policies, our business and financial performance may be affected.

During the Financial Periods Under Review and up to the LPD, our Group has not experienced any incidence of operational risks arising from the handling of hazardous chemicals.

8.1.6 Failure to maintain an effective QC system will affect our product quality

The quality of our products is critical to the success of our business. Our product quality depends significantly on the effectiveness of our QC system, which, in turn, depends on a number of factors, including implementation of our QC policies as well as the composition of our QC team.

Any failure or deterioration of our QC system could damage our product quality and have an adverse effect on our reputation in the market among current or prospective customers, which could in turn lead to fewer orders in the future and thereby affect our financial performance.

8.1.7 We are exposed to foreign exchange risks

During FYE 2022, FYE 2023, FYE 2024 and FYE 2025, approximately 1.26%, 1.61%, 5.10% and 5.95% of our revenue was denominated in foreign currency, namely USD and SGD, details of which are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue denominated in:								
RM	42,360	98.74	36,551	98.39	41,692	94.90	36,361	94.05
USD	85	0.20	424	1.14	2,011	4.58	2,152	5.57
SGD	456	1.06	176	0.47	229	0.52	149	0.38
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

8. RISK FACTORS (Cont'd)

During FYE 2022, FYE 2023, FYE 2024 and FYE 2025, approximately 8.36%, 12.94%, 12.17% and 15.20% of our purchases was denominated in EUR, USD and SGD, details of which are as follows:

Audited								
FYE 2022			FYE 2023		FYE 2024		FYE 2025	
RM'000	%		RM'000	%	RM'000	%	RM'000	%
Purchases denominated in:								
RM	28,781	91.64	21,158	87.06	26,941	87.83	22,601	84.80
USD	1,841	5.86	2,676	11.01	3,127	10.19	3,693	13.86
EUR	786	2.50	470	1.93	582	1.90	357	1.34
SGD	-	-	-	-	23	0.08	-	-
Total	31,408	100.00	24,304	100.00	30,673	100.00	26,651	100.00

Our Group experienced loss on foreign exchange translation during the Financial Periods Under Review arising from unfavourable fluctuations in foreign currency rates, details of which are as follows:

Audited				
FYE 2022	FYE 2023	FYE 2024	FYE 2025	
RM'000	RM'000	RM'000	RM'000	
Loss on foreign exchange	8	39	144	192

Any unfavourable fluctuations in foreign currency rates may have an adverse impact on our financial performance. A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower purchases in RM after conversion.

This inherently subjects us to foreign exchange rates risks which are affected by various factors that are beyond our control such as political and economic climates. Notwithstanding the above, we cannot guarantee that the hedge against foreign exchange fluctuations will completely eliminate our exposure to fluctuations in foreign exchange rates. Therefore, any significant change in foreign exchange rates may impact our Group's financial performance.

8.1.8 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise from our operations

Our Group maintains insurance coverage to protect against various losses and liabilities. As at the LPD, the insurance policies maintained by our Group include fire insurance, burglary insurance and public liability insurance.

However, we are unable to guarantee that the insurance coverage will be adequate in all circumstances to cover the losses, damages or liabilities which we may incur, in the event that any of the abovementioned incidences take place or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. To the extent that any such risks are uninsured, not covered under our insurance policies, or where the insurance protection is not sufficient to cover such risks, we would have to bear such losses

8. RISK FACTORS (Cont'd)

and consequently our business and financial performance may be adversely affected. For the Financial Periods Under Review, our Group did not encounter any events that resulted in any insurance claims.

8.1.9 Our business is exposed to unexpected interruptions or delays caused by equipment failures, power outages, water supply disruptions, natural disasters, force majeure events and outbreak of infectious diseases, which may be beyond our control and may lead to interruptions to our operations

Our Group relies on our business premises for the distribution, sales and application formulation of specialty industrial chemical products segment, and manufacturing and trading of rubber products segment. Hence, the occurrence of fires or natural disasters such as floods or storms at our business premises may cause damage to our production line, inventory and our business premises, which may lead to delays in fulfilling customer orders and additional costs incurred to refurbish our business premises. Further, we rely on a diverse range of machinery and equipment to carry out the manufacturing of rubber products. These machinery and equipment may, on occasion, be out of service due to unanticipated failures or damages sustained during operations. In addition, as our manufacturing activities are dependent on continuous supply of electricity and water, any major disruptions to the supply of electricity and water may result in interruptions in our operations.

Our business operations may also be affected by the occurrence of natural disasters (such as floods or storms), as well as catastrophic damages (such as fires), which may lead to interruptions to the operations at our factory and/or damages to all or part of our machinery and equipment. In addition, any occurrence of force majeure events such as wars, strikes and riots may prohibit us from performing our operations. The occurrence of these unexpected events may affect our ability to meet the agreed upon delivery schedule to our customers. This could adversely affect our relationships with our customers and our reputation in the market as well as our financial performance.

In the Financial Periods Under Review, we have not experienced any incident of unanticipated machinery and equipment failures, natural disasters, catastrophic damages and force majeure as well as material disruptions to the supply of electricity and water, which had led to major interruptions in our operations. However, there can be no assurance that such incidences will not happen in the future. In the event that these incidences occur, it may result in interruptions to our operations and thus adversely affect our business operations and financial performance.

Further, the outbreak of pandemics of infectious diseases or other health epidemics (such as COVID-19) may also create economic uncertainties globally, which may adversely affect business activities. The outbreak of pandemics may also result in the imposition of various lockdown measures to curb the spread of the virus, leading to disruptions and/or temporary suspension of business activities. Should there be a future outbreak of infectious disease similar to the COVID-19 pandemic, there is no assurance that our business operations and financial performance will not be adversely and materially affected.

In the event that we have to halt our operations due to the abovementioned incidences, we will still be required to incur operating expenses such as labour costs and utility costs. Our Group's financial performance may be adversely affected should the interruptions occur for a prolonged period of time.

8. RISK FACTORS (Cont'd)**8.1.10 We may not be able to successfully register the trademarks for our specialty industrial chemical and rubber products**

Our Group has applied for trademark registration by submitting 6 separate applications to MyIPO for our brands of specialty industrial chemical products and rubber products. As at the LPD, we have received approvals for 3 of the 6 trademark registration applications, while 3 trademark registration applications have received provisional refusal. The 3 trademark registration applications that have received provisional refusal are "Quantum Polymer", "Premier Resin" and "Imperial Colour". Please refer to Section 6.5.14 of this Prospectus for further details.

In the event we are unable to receive approval from MyIPO for the registration of trademarks of these brands, our Group will not be the sole owner of these trademarks and thus, unable to prohibit the unauthorised usage of the "Quantum Polymer", "Premier Resin" and "Imperial Colour" brands by other entities without permission of our Group. As at the LPD, we have not experienced any negative events, nor are we aware of any negative incidents from third-party companies promoting products bearing identical brands that have negatively impacted our Group's name and brand.

Notwithstanding this, we may face situations where third-parties may use these brands for their products, and there is a risk that our customers may mistake them for our products, potentially damaging our sales and reputation. In such circumstances, there is no certainty that we will be able to successfully establish an infringement of our brands. Should we fail to establish claim of infringement against these third-parties, we may suffer losses arising from damages and/or litigation costs.

8.1.11 We do not have any long-term contracts with our customers

We do not enter into any long-term contracts with our customers as we secure sales for specialty industrial chemicals as well as rubber products via purchase orders. Thus, our financial performance depends on our ability to secure new purchase orders. There is no assurance that we are able to continuously secure purchase orders from existing and new customers. Our business and financial performance will be adversely affected if we are unable to continually secure new purchase orders.

While we strive to ensure customers' satisfaction by continuously improving our product quality, maintaining and strengthening business relationships with existing customers as well as forging relationships with new customers to grow our clientele base, various external factors such as adverse economic conditions, significant price reductions by our competitors or a slowdown in the demand for specialty industrial chemicals or rubber products from our customers, may negatively impact our sales in view of the absence of long-term contracts. This will subsequently have an adverse impact on the financial performance of our Group.

8.2 RISKS RELATING TO OUR INDUSTRY**8.2.1 We face competition from industrial players**

The industry in which we operate is competitive. Competitive factors include product quality, price, application formulation capability, timely delivery, valuable service, scale and capacity, and efficiency. We face competition from existing and new players, including other distributors of specialty industrial chemical products as well as manufacturers of rubber products in Malaysia and regionally in Asia, that may offer similar products at lower prices than we do. We also face competition from industry players that offer related products which could be used as substitutes for our products.

8. RISK FACTORS (Cont'd)

We expect the industry to remain competitive. If we cannot maintain or improve our competitiveness and fail to maintain our market presence, our business may be affected.

To compete effectively, we may be forced, among others, to reduce prices or provide trade incentives to customers. Any or a combination of these events may reduce our profitability and affect our business. Any intensification of the competition or failure by us to compete successfully with our competitors could have an impact on the demand for, and pricing of, our products, thereby affecting our financial performance.

8.2.2 We are subject to the risks related to changes in conditions in Malaysia as well as global events

Changes in the political, social, economic and regulatory conditions in Malaysia may adversely affect our business operations and financial performance. Examples of changes include but are not limited to, changes in political leadership, wars such as the recent disruption in the Middle East, acts of terrorism, riots, prolonged or emergence of new epidemics or pandemics, economic policies such as expropriation, nationalisation, fiscal and monetary policies such as changes in interest rates, methods of taxation, tax policies, changes in international relationships and other matters that may influence consumer and business confidence and spending.

In addition, our business may also be affected by global events such as, among others, geopolitical events, financial crises, trade conflicts and sanctions. On 2 April 2025, the government of the USA announced the imposition of reciprocal tariff on exports from nearly every other nation and jurisdiction in the world, ranging from 10.00% to as high as 50.00%. Malaysia was initially imposed a tariff of 24.00% on its exports to the USA in April 2025 before the government of the USA announced intentions to increase the tariff rate to 25.00% commencing 1 August 2025. Following negotiations between the Government and the government of the USA, the government of the USA announced lowering the tariff for Malaysia to 19.00% to take effect from 1 August 2025. On 20 February 2026, the USA Supreme Court nullified the broad tariffs imposed by its President in 2025 by claiming authority under the International Emergency Economic Powers Act (IEEPA). To keep his tariffs in place temporarily, the USA President responded by invoking the balance of payments authority contained in Section 122 of the Trade Act of 1974 to an interim additional blanket tariff of 10.00% effective 24 February 2026, which will expire after 150 days unless extended by Congress. The imposition of this tariff may affect Malaysia's economy or result in a potential reduction in the USA's consumption or demand for Malaysia's exports.

Changes in political, social, economic and regulatory conditions in Malaysia, as well as global events, are beyond our control. There can be no assurance that such changes and events will not materially affect our business operations and financial performance.

8.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES**8.3.1 There is no prior market for our Shares**

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

8. RISK FACTORS (Cont'd)

8.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occur:

- (a) the selected investors and Bumiputera investors approved by MITI fail to subscribe for their portion of our IPO Shares;
- (b) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (c) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and provided that our Company meets the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

8.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

8.4 OTHER RISK

8.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters will collectively hold approximately 68.26% of our enlarged share capital upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as have voting control over our

8. RISK FACTORS (Cont'd)

ordinary and/or special resolutions and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities. There can be no assurance that the interests of our Promoters will be aligned with those of our minority shareholders.

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9. RELATED PARTY TRANSACTIONS

9.1 MATERIAL RELATED PARTY TRANSACTIONS

Save for the Acquisitions and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during the Financial Periods Under Review and up to the LPD:

No.	Related party	Interested person	Transacting company in our Group	Nature of transaction	Transaction value									
					FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to the LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	Avea Ingredients ⁽¹⁾	Tan Kwang Wah ⁽²⁾ and Sam Lai Yoong ⁽³⁾	Entire Concept	Purchase of specialty industrial chemical products from Avea Ingredients by Entire Concept	-	-	1	(10)△	-	-	-	-	-	-
2.	Avea Ingredients ⁽¹⁾	Tan Kwang Wah ⁽²⁾ and Sam Lai Yoong ⁽³⁾	Novatex Product	Purchase of specialty industrial chemical products from Avea Ingredients by Novatex Product	*	(10)△	4	(10)0.02	-	-	-	-	-	-
3.	Avea Ingredients ⁽¹⁾	Tan Kwang Wah ⁽²⁾ and Sam Lai Yoong ⁽³⁾	Eckem	Sale of specialty industrial chemical products to Avea Ingredients by Eckem	3	(11)△	1	(11)△	-	-	-	-	-	-
4.	Tan Kwang Wah ⁽²⁾	Tan Kwang Wah ⁽²⁾	Eckem	Advances from Tan Kwang Wah to Eckem for working capital purposes	293	(13)1.28	-	-	3,135	(13)9.07	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party		Interested person		Transacting company in our Group	Nature of transaction	Transaction value									
							FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to the LPD	
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
5.	Sam	Lai	Sam	Lai	Eckem	Advances from Sam Lai Yoong to Eckem for working capital purposes	200	⁽¹³⁾ 0.87	-	-	1,685	⁽¹³⁾ 4.88	-	-	-	-
6.	Tan Kwang Wah ⁽²⁾		Tan Kwang Wah ⁽²⁾		Eckem	Payment on behalf of fire insurance expenses for Property No. 17 ⁽⁹⁾ by Tan Kwang Wah for Eckem	2	⁽¹²⁾ 0.07	-	-	2	⁽¹²⁾ 0.06	-	-	-	-
7.	Tan Kwang Wah ⁽²⁾		Tan Kwang Wah ⁽²⁾		Eckem	Payment on behalf of the purchase of Lot 168659 ⁽⁶⁾ by Tan Kwang Wah for Eckem	-	-	1,485	⁽¹³⁾ 4.91	-	-	-	-	-	-
8.	Tan Kwang Wah ⁽²⁾		Tan Kwang Wah ⁽²⁾		Eckem	Payment on behalf of working capital expenses by Tan Kwang Wah for Eckem	-	-	68	⁽¹³⁾ 0.23	-	-	-	-	-	-
9.	Tan Kwang Wah ⁽²⁾		Tan Kwang Wah ⁽²⁾		Entire Concept	Advances from Tan Kwang Wah to Entire Concept for purchase of Lot 86498 ⁽⁷⁾	745	⁽¹³⁾ 3.26	-	-	-	-	-	-	-	-
10.	Tan Kwang Wah ⁽²⁾		Tan Kwang Wah ⁽²⁾		Entire Concept	Advances from Tan Kwang Wah to Entire Concept for purchase of Lot 168658 ⁽⁸⁾	-	-	1,470	⁽¹³⁾ 4.86	-	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Interested person	Transacting company in our Group	Nature of transaction	Transaction value									
					FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to the LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
11.	Tan Kwang Wah ⁽²⁾	Tan Kwang Wah ⁽²⁾	Entire Concept	Advances from Tan Kwang Wah to Entire Concept for working capital purposes	-	-	-	-	980	⁽¹³⁾ 2.84	-	-	-	-
12.	Tan Kwang Wah ⁽²⁾	Tan Kwang Wah ⁽²⁾	Entire Concept	Payment on behalf of legal fee and stamp duty in relation to Lot 168658 ⁽⁸⁾ and Lot 86498 ⁽⁷⁾ by Tan Kwang Wah for Entire Concept	6	⁽¹²⁾ 0.21	134	⁽¹²⁾ 3.80	-	-	-	-	-	-
13.	Tan Kwang Wah ⁽²⁾	Tan Kwang Wah ⁽²⁾	Eckem JB	Payment on behalf of office expenses by Tan Kwang Wah for Eckem JB	15	⁽¹²⁾ 0.51	19	⁽¹²⁾ 0.55	-	-	-	-	-	-
14.	Tan Kwang Wah ⁽²⁾	Tan Kwang Wah ⁽²⁾	Novatex Product	Advances from Tan Kwang Wah to Novatex Product for working capital purposes	420	⁽¹³⁾ 1.84	-	-	-	-	-	-	-	-
15.	Tey See ⁽⁴⁾	Tai Tey Tai See ⁽⁴⁾	Novatex Product	Advances from Tey Tai See to Novatex Product for working capital purposes	399	⁽¹³⁾ 1.75	-	-	-	-	-	-	-	-
16.	Tey See ⁽⁴⁾	Tai Tey Tai See ⁽⁴⁾	Novatex Product	Payment on behalf of consultation fee in relation to the ISO application and	-	-	1	⁽¹²⁾ 0.03	-	-	-	-	-	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Interested person	Transacting company in our Group	Nature of transaction	Transaction value									
					FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 January 2026 up to the LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
				manufacturing by Tey Tai See to Novatex Product										
17.	Ng Leong Fock ⁽⁵⁾	Ng Leong Fock ⁽⁵⁾	Novatex Product	Payment on behalf of office expenses by Ng Leong Fock to Novatex Product	-	-	-	-	*	(12)∧	-	-	-	-
18.	Tan Kwang Wah ⁽²⁾ and Sam Lai Yoong ⁽³⁾	Tan Kwang Wah ⁽²⁾ and Sam Lai Yoong ⁽³⁾	Eckem	Rental payments of Property No. 17 ⁽⁹⁾ by Eckem to Tan Kwang Wah and Sam Lai Yoong	120	(12)4.21	120	(12)3.41	120	(12)3.18	120	(12)3.09	40	N/A

Notes:

N/A Not applicable.

* Less than RM500.

∧ Less than 0.01%.

(1) Avea Ingredients was principally involved in the business support service activities in trading of specialty industrial chemical products, and was owned by our Managing Director, Tan Kwang Wah, and our Promoter, Sam Lai Yoong. Avea Ingredients was struck off on 10 October 2025.

(2) Tan Kwang Wah is our Promoter, substantial shareholder and Managing Director.

(3) Sam Lai Yoong is our Promoter, the spouse of Tan Kwang Wah and a director and existing substantial shareholder of our subsidiaries, namely Eckem, Eckem JB and Eckem Singapore.

9. RELATED PARTY TRANSACTIONS (*Cont'd*)

- (4) Tey Tai See is a director and existing substantial shareholder of Novatex Product.
- (5) Ng Leong Fock is a director of Novatex Product.
- (6) The land was acquired by Eckem from Sime Darby Property (Bukit Raja) Sdn Bhd for Lot 168659.
- (7) The land was acquired by Entire Concept from Worldklang Group Properties Sdn Bhd for Lot 86498.
- (8) The land was acquired by Entire Concept from Sime Darby Property (Bukit Raja) Sdn Bhd for Lot 168658.
- (9) The property was rented by Eckem from Tan Kwang Wah and Sam Lai Yoong for Property No. 17 with a monthly rental of RM10,000.
- (10) Calculated based on our Group's cost of sales for each of the respective financial years.
- (11) Calculated based on our Group's revenue for each of the respective financial years.
- (12) Calculated based on our Group's total administrative expenses for each of the respective financial years.
- (13) Calculated based on our Group's NA for each of the respective financial years.

Our Directors confirm that the transactions (1) to (3) were conducted on an arm's length basis based on comparable quotations for the same products sold to or purchased from third-parties which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group. All outstanding payments for the sale and purchases of the products have been fully repaid and/or paid as at the LPD.

The transactions (4) to (17) which represent advances to our Group, as well as payments on behalf, were not conducted on arm's length basis as they were unsecured, interest-free and repayable on demand. The transactions (4) to (17) are not detrimental to the non-interested shareholders and our Group, as such advances and/or payments on behalf are beneficial to our Group in providing working capital without incurring interest costs that would otherwise be payable to an external lender. These advances are not expected to continue moving forward, and all outstanding advances have been fully repaid as at the LPD.

The transaction (18) was conducted on an arm's length basis, as it was benchmarked against prevailing market prices and has been comparable to those properties offered within the vicinity of Property No. 17.

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

Save for the transaction (18) as detailed below, our Directors confirm that there are no recurrent related party transactions, and no related party transactions that have been entered into but not yet effected:

(a) Lease of Property No. 17 from Tan Kwang Wah and Sam Lai Yoong

Since March 2008, Tan Kwang Wah and Sam Lai Yoong lease Property No. 17 to Eckem. The latest tenancy agreement for Property No. 17 covers a period of 2 years, commencing on 1 October 2025 and expiring on 30 September 2027. The current monthly rental for Property No. 17 is RM10,000. Save for the above, there are no other salient terms in the tenancy agreement which may affect our Listing.

Our Board is of the view that the transaction (18) was conducted on an arm's length basis, please refer to Section 10.1 of this Prospectus for further details. Upon expiry of the current tenancy period for Eckem, we may consider negotiating and entering into a further tenancy beyond the end of this tenancy period, depending on the commencement date of our new corporate office, warehouse and laboratory. All our operations in Property No. 17 will be relocated to the new corporate office, warehouse and laboratory to be constructed at Lot 93505 and Lot 93506. Please refer to Section 4.9.1 of this Prospectus for further details.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or
- (ii) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) The rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of

9. RELATED PARTY TRANSACTIONS *(Cont'd)*

the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

9.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the Financial Periods Under Review and up to the LPD.

9.3 LOANS MADE TO OR FOR THE BENEFIT OF THE RELATED PARTY

There were no loans made to or for the benefit of any related party for the Financial Periods Under Review and up to the LPD.

9.4 FINANCIAL ASSISTANCE PROVIDED FOR THE BENEFIT OF THE RELATED PARTY

There was no financial assistance provided by us for the benefit of any related party for the Financial Periods Under Review and up to the LPD.

9. RELATED PARTY TRANSACTIONS (Cont'd)**9.5 OTHER TRANSACTIONS****9.5.1 Guarantee**

Our Directors and/or our Promoters, namely Tan Kwang Wah, Sam Lai Yoong, Tan Khai Jeik and Tan Khai Wen have jointly and severally provided personal guarantees for the banking facilities extended by 4 financial institutions, namely Alliance Islamic Bank Berhad, Ambank (M) Berhad, Hong Leong Bank Berhad and Public Bank Berhad ("**Financiers**"). The details of the facilities as at the LPD are set out as follows:

Financiers	Type of facilities	Guarantors	Facility limit RM'000	Amount guaranteed RM'000	Outstanding amount as at the LPD RM'000
Alliance Islamic Bank Berhad	• 4 term loans	• Tan Kwang Wah • Tan Khai Jeik	19,206	19,206	6,691
Ambank Berhad (M)	• 2 term loans	• Tan Kwang Wah • Sam Lai Yoong	8,035	8,035	6,628
Ambank Berhad (M)	• 2 term loans	• Tan Kwang Wah • Tan Khai Jeik	13,600	13,600	12,698
Hong Leong Bank Berhad	• 1 term loan • 1 forward exchange contract	• Tan Kwang Wah • Sam Lai Yoong • Tan Khai Wen	12,900	12,900	10,514
Public Bank Berhad	• 1 fixed loan • 2 hire purchase facilities	• Tan Kwang Wah	1,305	1,305	1,024
Public Bank Berhad	• 1 fixed loan	• Tan Kwang Wah • Sam Lai Yoong	2,040	2,040	1,727

9. RELATED PARTY TRANSACTIONS (Cont'd)

Financiers		Type of facilities	Guarantors	Facility limit	Amount guaranteed	Outstanding amount as at the LPD
				RM'000	RM'000	RM'000
Public Bank Berhad	Bank	- Overdraft - Letter of Credit/ Trust Receipt/ Banker's Acceptance/ Shipping Guarantee/ Banker's Guarantee (Trade Bills)	- Tan Kwang Wah - Sam Lai Yoong - Tan Khai Jeik - Tan Khai Wen	2,050	2,050	8
Total				59,136	59,136	39,290

In conjunction with the Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors and/or our Promoters will continue to guarantee the banking facilities and hire purchase facilities extended to our Group.

As at the date of this Prospectus, we have received conditional approval from the Financiers to discharge the personal guarantees by substituting the same with a corporate guarantee from our Company. The conditions imposed by the Financiers, as the case may be, include, amongst others, the following:

- (a) successful listing of the Company on the ACE Market of Bursa Securities; and
- (b) Tan Kwang Wah and/or his family to maintain management control and/or majority shareholding of more than 50% in the Company upon successful listing and until the satisfaction and discharge of the banking facility(ies) with the Financier.

For clarification purposes, condition (b) is imposed by Ambank (M) Berhad, Hong Leong Bank Berhad and Alliance Islamic Bank Berhad. As at the LPD, our Group is in compliance with condition (b). Further thereto, Tan Kwang Wah and/or his family have executed undertaking letters to ensure compliance with condition (b).

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9. RELATED PARTY TRANSACTIONS (Cont'd)**9.5.2 Amount owing to/by related party/Directors**

Save as disclosed below, there are no amount owing to/by related party/Directors as at 31 December 2022, 31 December 2023, 31 December 2024, 31 December 2025 and as at the LPD.

	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	As at the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Amount owing to Directors					
Sam Lai Yoong ⁽¹⁾	60	64	61	-	-
Tan Kwang Wah ⁽²⁾	590	597	155	-	-
Tey Tai See ⁽³⁾	169	170	-	-	-
Trade receivables					
Avea Ingredients ⁽⁴⁾	*	-	-	-	-
Trade payables					
Avea Ingredients ⁽⁵⁾	*	5	5	-	-

Notes:

* Less than RM500.

(1) Amount owing to Sam Lai Yoong by Eckem Singapore for the payment on behalf for Eckem Singapore by Sam Lai Yoong (the transactions were not conducted on arm's length basis and on normal commercial terms).

(2) Amount owing to Tan Kwang Wah by Eckem JB, Eckem Singapore and Novatex Product for the payment on behalf by and advances by Tan Kwang Wah (the transactions were not conducted on arm's length basis and on normal commercial terms).

(3) Amount owing to Tey Tai See by Novatex Product for the advances by Tey Tai See (the transactions were not conducted on arm's length basis and on normal commercial terms).

(4) Amount owing by Avea Ingredients to Eckem for sale of specialty industrial chemical products (the transactions were conducted on an arm's length basis and on normal commercial terms).

(5) Amount owing to Avea Ingredients by Entire Concept and by Novatex Product for purchase of specialty industrial chemical products (the transactions were conducted on an arm's length basis and on normal commercial terms).

9. RELATED PARTY TRANSACTIONS (*Cont'd*)

9.5.3 Transactions entered into with M & A Securities

Save as disclosed below, we have not entered into any transactions with M & A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (a) Agreement between Eckem and M & A Securities for the appointment of M & A Securities as Principal Adviser, Sponsor and Placement Agent; and
- (b) Underwriting Agreement dated 8 April 2026 entered into between our Company and M & A Securities for the underwriting of 62,500,000 Issue Shares.

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10. CONFLICT OF INTEREST

10.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

Save as disclosed below, none of our Directors and/or substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group or which are customers and/or suppliers of our Group during the Financial Periods Under Review and up to the LPD:

(a) Suppliers of our Group

(i) BASF SE group of companies

The entities within BASF SE group of companies that our Group transacted with comprise BASF (Malaysia) Sdn Bhd, BASF Construction Additives GmbH and BASF Hong Kong Ltd, which are subsidiaries of BASF SE. BASF SE is a public company listed on the Frankfurt Stock Exchange, London Stock Exchange and Zurich Stock Exchange and a multinational company present in 92 countries with its headquarter based in Germany.

BASF SE group of companies has been our supplier since 2013 and was the major supplier of our Group for FYE 2022, FYE 2023, FYE 2024 and FYE 2025 with the transaction value of RM19.57 million, RM17.64 million, RM17.69 million and RM16.24 million, respectively.

Ng Moh Mang, our Independent Non-Executive Chairman, was employed by BASF (Malaysia) Sdn Bhd from June 1990 until he relocated to BASF South East Asia Regional Headquarters Ltd, Singapore in January 2003. During his tenure and until his retirement in August 2022, he held several positions and directorships within the BASF SE group of companies.

He is also an existing shareholder of BASF SE, holding less than 0.01% equity of BASF SE through participation in the share price-based compensation program introduced by BASE SE.

Further details of his profile and his involvement in other business activities outside our Group in the past 5 years up to the LPD are set out in Sections 5.2.1 (a) and 5.2.2 (a) of this Prospectus.

Nevertheless, our Board is of the view that any potential conflict of interest situation which may arise through Ng Moh Mang's interest in the BASF SE is mitigated as Ng Moh Mang has retired in August 2022 and holds only a minimal shareholding through participation in the share price-based compensation program in BASF SE, a public company listed on the Frankfurt Stock Exchange, London Stock Exchange and Zurich Stock Exchange.

Moreover, all transactions carried out between Eckem Group and BASF SE group of companies that our Group transacted with, were on arm's length basis, on normal commercial terms which are not more favourable to our related parties than those generally available to the public and vice versa, and are not to the detriment of our non-interested shareholders.

10. CONFLICT OF INTEREST (Cont'd)

(ii) Avea Ingredients

Avea Ingredients was principally involved in the business support service activities in trading of specialty industrial chemical products. Tan Kwang Wah, our Managing Director, and Sam Lai Yoong, our Promoter, were the directors of Avea Ingredients and collectively held entire shareholdings in Avea Ingredients.

Avea Ingredients sold the specialty industrial chemical products to Entire Concept and Novatex Product during FYE 2022 and FYE 2023, with the transaction value of RM483.00 and RM4,918.30, respectively. All outstanding payments for the purchases of the products from Avea Ingredients have been fully paid as at the LPD.

Please refer to Section 9.1 of this Prospectus for further details of the related party transactions between Avea Ingredients and our Group during the Financial Periods Under Review and up to the LPD.

Nevertheless, our Board is of the view that any potential conflict of interest situation which may arise through the transactions between Entire Concept, Novatex Product and Avea Ingredients are mitigated as these transactions were conducted on an arm's length basis based on comparable quotations for the same products purchased from third-parties which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group.

Moreover, Avea Ingredients was struck off on 10 October 2025.

(b) Customer of our Group

(i) Avea Ingredients

Avea Ingredients was principally involved in the business support service activities in trading of specialty industrial chemical products. Tan Kwang Wah, our Managing Director, and Sam Lai Yoong, our Promoter, were the directors of Avea Ingredients and collectively held entire shareholdings in Avea Ingredients.

Avea Ingredients purchased the specialty industrial chemical products from Eckem during FYE 2022 and FYE 2023, with the transaction value of RM2,516.80 and RM577.60, respectively. All outstanding payments for the sale of the products to Avea Ingredients have been fully repaid as at the LPD.

Please refer to Section 9.1 of this Prospectus for further details of the related party transactions between Avea Ingredients and our Group during the Financial Periods Under Review and up to the LPD.

Nevertheless, our Board is of the view that any potential conflict of interest situation which may arise through the transactions between Eckem and Avea Ingredients are mitigated as these transactions were conducted on an arm's length basis based on comparable quotations for the same products sold to third-parties which were not more favourable to the related parties than those generally available to the public and not detrimental to the interest of our Group.

10. CONFLICT OF INTEREST (*Cont'd*)

Moreover, Avea Ingredients was struck off on 10 October 2025.

(c) Lease of Property No. 17 for business operations

Since March 2008, Tan Kwang Wah and Sam Lai Yoong rented Property No. 17 to Eckem. The transaction value amounted to RM0.12 million for FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively. The transaction value amounted to RM0.04 million during the period between 1 January 2026 and up to the LPD.

Sam Lai Yoong is our Promoter, and a director and existing substantial shareholder of Eckem, Eckem JB and Eckem Singapore, while Tan Kwang Wah is our Promoter, substantial shareholder and Managing Director.

Nevertheless, our Board is of the view that any conflict of interest and/or potential conflict of interest situation which may arise through the transaction between Sam Lai Yoong, Tan Kwang Wah and Eckem is mitigated as the transactions carried out between Sam Lai Yoong, Tan Kwang Wah and Eckem were on arm's length basis which are not more favourable to our related parties than those generally available to the public premised on the rental rate analysis issued by Dreamvest Realty Sdn Bhd, a third-party real estate company providing property solutions, for year 2022, 2023, 2024, 2025 and 2026 for Property No. 17, which concluded that the rental rates for properties in the vicinity similar to the location of Property No. 17 are between RM8,000 and RM12,000.

Please refer to Section 9.1 of this Prospectus for further details of the material related party transactions.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Audit Committee and our Board of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Audit Committee will then:

- (a) immediately inform our Board of the conflict of interest situation;
- (b) make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Audit Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the chairman of our Board, be present at our Board meeting to answer any questions.

10. CONFLICT OF INTEREST (*Cont'd*)

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 9.1 of this Prospectus for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

10.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(a) Declaration by M & A Securities

M & A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Principal Adviser, Sponsor, Underwriter and Placement Agent for our Listing.

(b) Declaration by David Lai & Tan

David Lai & Tan has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of Malaysia for our Listing.

(c) Declaration by Avant Law LLC

Avant Law LLC has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors in respect of the laws of Singapore for our Listing.

(d) Declaration by Crowe Malaysia PLT

Crowe Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.

(e) Declaration by Providence

Providence has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

11. FINANCIAL INFORMATION**11.1 HISTORICAL FINANCIAL INFORMATION**

Our historical financial information throughout the Financial Periods Under Review have been prepared in accordance with MFRS and IFRS and were not subject to any audit qualifications. The selected financial information and financial analysis included in this Prospectus are not intended to predict our Group's financial position, performance and cash flows. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 of this Prospectus, respectively.

11.1.1 Combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for the Financial Periods Under Review which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 of this Prospectus, respectively.

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	42,901	37,151	43,932	38,662
Cost of sales	(32,061)	(25,107)	(31,852)	(27,921)
GP	10,840	12,044	12,080	10,741
Other income	265	1,485	957	1,150
Selling and distribution expenses	(463)	(389)	(458)	(432)
Administrative expenses	(2,850)	(3,521)	(3,770)	(3,883)
Other expenses	(444)	(63)	(144)	(242)
Finance costs	(557)	(815)	(1,194)	(1,459)
Net (allowance)/reversal of impairment losses on financial assets	(207)	251	50	82
PBT	6,584	8,992	7,521	5,957
Income tax expense	(1,714)	(2,133)	(1,874)	(1,479)
PAT	4,870	6,859	5,647	4,478
Other comprehensive income/(expenses)				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation differences	7	(6)	(3)	(8)
Total comprehensive income for the financial year	4,877	6,853	5,644	4,470
EBIT ⁽¹⁾	7,138	9,788	8,709	7,414
EBITDA ⁽¹⁾	7,444	10,330	9,331	8,004
GP margin (%) ⁽²⁾	25.27	32.42	27.50	27.78
PBT margin (%) ⁽³⁾	15.35	24.20	17.12	15.41
PAT margin (%) ⁽³⁾	11.35	18.46	12.85	11.58
Effective tax rate (%) ⁽⁴⁾	26.03	23.72	24.92	24.83

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Basic EPS (sen) ⁽⁵⁾	0.97	1.37	1.13	0.90
Diluted EPS (sen) ⁽⁶⁾	0.78	1.10	0.90	0.72

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
PAT	4,870	6,859	5,647	4,478
Less:				
Interest income	(3)	(19)	(6)	(2)
Add:				
Finance costs	557	815	1,194	1,459
Income tax expense	1,714	2,133	1,874	1,479
EBIT	7,138	9,788	8,709	7,414
Add:				
Depreciation	306	542	622	590
EBITDA	7,444	10,330	9,331	8,004

(2) Calculated based on GP divided by revenue.

(3) Calculated based on PBT or PAT divided by revenue.

(4) Calculated based on income tax expense divided by PBT.

(5) Calculated based on PAT divided by our total number of 500,000,000 Shares after the Acquisitions but before our IPO.

(6) Calculated based on PAT divided by our enlarged total number of 625,000,000 Shares after our IPO.

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11. FINANCIAL INFORMATION (Cont'd)**11.1.2 Combined statements of financial position**

The following table sets out the combined statements of financial position of our Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 of this Prospectus, respectively.

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	17,212	26,580	38,948	14,021
Investment properties	13,645	13,478	11,333	42,283
Right-of-use assets	-	74	287	275
Other investment	40	40	40	40
Total non-current assets	30,897	40,172	50,608	56,619
Current assets				
Inventories	5,115	9,012	8,396	9,096
Trade receivables	6,751	8,133	8,345	7,201
Other receivables, deposits and prepayments	426	173	1,045	2,608
Amount owing by a director	-	-	*	-
Current tax assets	9	346	667	523
Cash and bank balances	6,985	3,102	5,885	8,210
Total current assets	19,286	20,766	24,338	27,638
TOTAL ASSETS	50,183	60,938	74,946	84,257
EQUITY AND LIABILITIES				
Equity				
Share capital	-	-	*	*
Invested capital	2,100	2,600	3,200	3,200
Foreign exchange translation reserve	6	(*)	(3)	(11)
Retained profits	20,759	27,619	31,365	35,844
TOTAL EQUITY	22,865	30,219	34,562	39,033
Non-current liabilities				
Lease liabilities	78	-	86	87
Hire purchase payables	82	120	80	38
Term loans	18,315	20,181	33,325	36,464
Deferred tax liabilities	110	198	114	127
Total non-current liabilities	18,585	20,499	33,605	36,716

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Trade payables	3,212	5,012	3,625	4,226
Other payables and accruals	2,381	2,692	1,009	2,282
Amount owing to directors	819	831	216	-
Lease liabilities	109	78	207	194
Hire purchase payables	53	54	40	42
Term loans	711	746	1,439	1,662
Current tax liabilities	1,448	807	243	102
Total current liabilities	8,733	10,220	6,779	8,508
TOTAL LIABILITIES	27,318	30,719	40,384	45,224
TOTAL EQUITY AND LIABILITIES	50,183	60,938	74,946	84,257

Note:

* Less than RM500.

11.1.3 Combined statements of cash flows

The following table sets out the combined statements of cash flows of our Group for the Financial Periods Under Review which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 11.2 and 12 of this Prospectus, respectively.

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT	6,584	8,992	7,521	5,957
Adjustments for:-				
Depreciation of property, plant and equipment	253	264	252	230
Depreciation of investment properties	16	167	144	127
Depreciation of right-of-use assets	37	111	226	233
Net impairment losses/(Reversal of impairment losses) on trade receivables	207	(251)	(50)	(82)
Impairment losses/(Reversal of impairment losses) on right-of-use assets	184	(184)	-	-

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment written off	-	-	-	1
Deposit written off	5	-	-	-
Gain on disposal of motor vehicle	-	-	(10)	-
Interest expenses:				
- lease liabilities	5	11	19	19
- hire purchase payables	7	7	8	4
- term loans	550	799	1,164	1,437
Interest income	(3)	(19)	(6)	(2)
Impairment losses/(Reversal of impairment losses) on property, plant and equipment	220	(220)	-	-
Inventories written down	32	24	-	48
Unrealised (gain)/loss on foreign exchange	(28)	(15)	104	98
Operating profit before changes in working capital	8,069	9,686	9,372	8,070
Changes in working capital:				
(Increase)/Decrease in inventories	(1,764)	(3,921)	616	(749)
Decrease/(Increase) in trade and other receivables	2,041	(878)	(1,026)	(337)
(Decrease)/Increase in trade and other payables	(351)	2,111	(1,120)	371
Cash from operations	7,995	6,998	7,842	7,355
Interest received	3	19	6	2
Net income tax paid	(1,588)	(3,024)	(2,843)	(1,462)
Net cash from operating activities	6,410	3,993	5,005	5,895
Cash flows for investing activities				
Proceeds from disposal of motor vehicle	-	-	10	-
Purchase of property, plant and equipment	(3,028)	(6,801)	(89)	(19)
Net cash for investing activities	(3,028)	(6,801)	(79)	(19)
Cash flows for financing activities				
Dividends paid	-	-	(1,850)	(50)
Interest paid	(562)	(817)	(1,143)	(1,460)
Proceeds from issuance of ordinary shares	*	500	10	-
Proceeds from drawdown of term loan	-	-	2,000	-

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Repayment of lease liabilities	(35)	(109)	(225)	(233)
Repayment of hire purchase payables	(58)	(61)	(54)	(40)
Repayment of term loans	(935)	(609)	(741)	(1,416)
(Repayment to)/Advance from directors	(58)	12	(25)	(216)
Net cash for financing activities	(1,648)	(1,084)	(2,028)	(3,415)
Net increase/(decrease) in cash and bank balances	1,734	(3,892)	2,898	2,461
Effects of foreign exchange translation	28	9	(115)	(136)
Cash and bank balances at beginning of the financial year	5,223	6,985	3,102	5,885
Cash and bank balances at end of the financial year	6,985	3,102	5,885	8,210

Note:

* Less than RM500.

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11. FINANCIAL INFORMATION (Cont'd)

11.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our combined financial statements for the Financial Periods Under Review should be read with the Accountants' Report included in Section 12 of this Prospectus.

11.2.1 Overview of our operations

(a) Principal activities

We are principally an investment holding company. Through our subsidiaries, we are principally involved in:

(i) Distribution, sales and application formulation of specialty industrial chemical products

We are involved in sourcing, distribution and sales of a diversified portfolio of specialty industrial chemical products that are raw materials or intermediaries in the production processes.

The specialty industrial chemical products that we source, distribute and sell are typically for the applications in paints and coatings, construction and building materials, PPE, inks, household and personal care, adhesives, automotive coatings and care. We source for these products from third-party brand principals and suppliers that are from overseas or Malaysia. Our third-party brand principals and suppliers are mainly chemical producers.

One of our sales strategies focuses on understanding the specific needs of our customers and providing tailored solutions through our product offerings. Through understanding and getting our customer requirements, we engage in application formulation activities to customise specialised industrial chemical solutions that meet the requirements and applications of our customers that are from various industries. Our in-house chemist and lab assistant also collaborate with our third-party brand principals or suppliers to test out various formulations to achieve the desired results for our customers.

Our customers comprise downstream industrial users in the manufacturing segment which use these specialty industrial chemical products as raw materials or intermediaries in their production processes, compounders and resellers who may resell these specialty chemical products to their customers.

(ii) Manufacturing and trading of rubber products

We are involved in the manufacturing of rubber products comprising personal care products such as dental dams, latex sheets, prophylactic (oral) dams as well as lifestyle products such as exercise bands. We also traded rubber products which accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

Our customers comprise manufacturers and traders in Malaysia and overseas.

11. FINANCIAL INFORMATION (Cont'd)

Our Group's operations are headquartered in Malaysia. Our revenue is primarily generated from Malaysia, and the currencies used in invoicing are RM, USD and SGD. Approximately 98.74%, 98.39%, 94.90% and 94.05% of our revenues were denominated in RM for FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively, with the remainder denominated in USD and SGD.

Our subsidiary in Singapore, Eckem Singapore is established to facilitate the trading of specialty industrial chemical products in the Singapore market.

Please refer to Section 6 of this Prospectus for our Group's detailed business overview.

(b) Cost of sales

The cost of sales mainly comprises purchases of specialty industrial chemical products and rubber latex materials, labour costs as well as custom duty and freight charges. Specialty industrial chemical products include resins, pigments and fillers as well as additives. Labour costs comprise employees' salaries, bonus and defined contribution plan, and subcontracting costs directly involved in the manufacturing and trading of rubber products segment.

(c) Other income

Other income mainly comprises rental income, reversal of impairment losses on right-of-use assets, reversal of impairment losses on property, plant and equipment as well as gain on foreign exchange.

(d) Selling and distribution expenses

Selling and distribution expenses comprise mainly commission that is payable to third parties for business referrals, transportation charges as well as local and overseas travelling and accommodation for sales personnels and directors.

(e) Administrative expenses

Administrative expenses comprise overheads incurred to maintain our operations such as:

- (i) operation related expenses for our administrative team, which primarily include staff costs and directors' remuneration;
- (ii) professional fees mainly incurred for audit, company secretarial, legal, tax and valuation for the properties as well as listing expenses in relation to the IPO;
- (iii) office expenses, travelling and accommodation expenses, rental expenses and marketing expenses; and
- (iv) depreciation as well as upkeep and maintenance.

(f) Other expenses

Other expenses comprise impairment losses on right-of-use assets, impairment losses on property, plant and equipment, inventories written down, loss on foreign exchange and property, plant and equipment written off.

11. FINANCIAL INFORMATION (Cont'd)

(g) Finance costs

Finance costs comprise interest expenses on our term loans, hire purchases and lease liabilities as well as bank charges.

(h) Net (allowance)/reversal of impairment losses on financial assets

For the application of MFRS 9 – Financial Instruments, our Group estimates a lifetime expected credit loss (“**ECL**”) allowance for all financial assets. Collective impairment was based on the credit risk and the days past due, while individual impairment was based on specific receivables that are credit impaired. We derived the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses which is then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information. Reversal of impairment losses are made after the reassessment of ECL as at the end of each reporting date or there are any subsequent collections.

(i) Recent developments

Save for the Acquisitions as disclosed in Section 6.1.3 of this Prospectus, there were no other significant events subsequent to our Group’s audited combined financial statements for the Financial Periods Under Review.

(j) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during Financial Periods Under Review. In addition, our audited financial statements for Financial Periods Under Review were not subject to any audit qualifications.

(k) Significant factors affecting our financial performance

Please refer to Section 8 of this Prospectus for the details of risk factors relating to our business and the industry in which we operate. Some of these risk factors have an impact on our Group’s revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

- (i) We are dependent on our major suppliers for specialty industrial chemical products and we are subject to fluctuations in prices of raw materials;
- (ii) Demand for our specialty industrial chemical products are dependent, among other things, on the condition of the economy of the countries in which we sell our products;
- (iii) We require various permits and licenses for the operation of our business;
- (iv) We rely on our management team as well as the recruitment and retention of other qualified personnel;
- (v) Our business operations are exposed to operational risks relating to selected hazardous chemicals; and
- (vi) Failure to maintain an effective QC system will affect our product quality.

11. FINANCIAL INFORMATION (Cont'd)**11.2.2 Review of our results of operations****(a) Revenue****Analysis of revenue by business segments**

The breakdown of our Group's revenue by business segments for the Financial Periods Under Review are as follows:

Business segments	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution, sales and application formulation of specialty industrial chemical products								
- Additives	22,796	53.14	23,951	64.47	27,085	61.65	25,680	66.42
- Resins	19,484	45.42	11,303	30.42	12,766	29.06	8,788	22.73
- Pigments and fillers	526	1.22	761	2.05	1,020	2.32	1,287	3.33
Subtotal	42,806	99.78	36,015	96.94	40,871	93.03	35,755	92.48
Manufacturing and trading of rubber products								
- Personal care products ⁽¹⁾	95	0.22	1,136	3.06	2,789	6.35	2,905	7.51
- Lifestyle products ⁽²⁾	-	-	-	-	272	0.62	2	0.01
Subtotal	95	0.22	1,136	3.06	3,061	6.97	2,907	7.52
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Notes:

(1) Comprises revenue derived from the sale of dental dams, latex sheets, prophylactic (oral) dams and other rubber products. Trading of rubber products accounted for 0.22% and 0.04% of our total revenue for FYE 2022 and FYE 2023, respectively. While we did not derive any revenue from the trading of rubber products since FYE 2024, our Group did generate revenue from the sale of dental dams, latex sheets, prophylactic (oral) dams and exercise bands manufactured by Novatex Product which contributed to the revenue of personal care products and lifestyle products since FYE 2024.

(2) Comprises revenue derived from sale of exercise bands.

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11. FINANCIAL INFORMATION (Cont'd)**Analysis of revenue by geographical locations**

The breakdown of our Group's revenue by geographical locations for the Financial Periods Under Review are as follows:

Geographical locations	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	42,360	98.74	36,551	98.39	41,692	94.90	36,361	94.05
Overseas								
China	-	-	90	0.24	778	1.77	1,045	2.70
Ukraine	-	-	69	0.19	284	0.65	99	0.26
USA	-	-	117	0.31	241	0.55	418	1.08
Netherlands	-	-	105	0.28	201	0.46	191	0.49
UK	-	-	-	-	160	0.36	166	0.43
Singapore	456	1.06	176	0.47	371	0.84	149	0.39
Thailand	72	0.17	32	0.09	125	0.29	-	-
Others ⁽¹⁾	13	0.03	11	0.03	80	0.18	233	0.60
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Note:

- (1) Comprises revenue derived from Australia, Brazil, Hong Kong, Iraq, Japan, Taiwan, the Philippines, Sri Lanka and Argentina.

Our revenue generated from overseas markets for the Financial Periods Under Review were mainly contributed by the manufacturing and trading of rubber products segment.

The currencies that we use to transact with foreign customers are RM, USD and SGD.

Commentary on overall revenue

For Financial Periods Under Review, the fluctuations in revenue were largely driven by the:

- (i) sales mix of our products, which are of different price ranges;
- (ii) volume of specialty industrial chemical products sold; and
- (iii) fluctuation of global commodity prices relating to additives, resins, pigments and fillers, as well as latex.

Our primary revenue contributor during Financial Periods Under Review was the distribution, sales and application formulation of specialty industrial chemical products segment, which contributed to 99.78%, 96.94%, 93.03% and 92.48% of our total revenue in FYE 2022, FYE 2023, FYE 2024 and FYE 2025, respectively.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2022 and FYE 2023

Our Group's total revenue decreased by RM5.75 million or 13.40%, from RM42.90 million in FYE 2022 to RM37.15 million in FYE 2023, primarily due to a reduction of RM6.79 million revenue from the distribution, sales and application formulation of specialty industrial chemical products segment. The decrease in total revenue was partially moderated by an increase in revenue contribution from the manufacturing and trading of rubber products segment of RM1.04 million in FYE 2023.

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11. FINANCIAL INFORMATION (Cont'd)**(i) Distribution, sales and application formulation of specialty industrial chemical products**

Our revenue recorded a decrease of RM6.79 million or 15.86%, from RM42.81 million in FYE 2022 to RM36.02 million in FYE 2023, mainly due to the decreased demand in our specialty industrial chemical products owing to subdued purchasing activities from our customers, particularly the customers in the paints and coating manufacturing industry, driven by the decreased demand from the downstream construction industry in 2023.

In FYE 2022 and FYE 2023, 53.14% and 64.47% of total revenue was contributed by sale of additives, respectively; and followed by sale of resins, representing 45.42% and 30.42% of total revenue, respectively.

In terms of revenue by our specialty industrial chemical product categories, the volume sold by MT and average selling price per kg are as follows:

	<u>FYE 2022</u>	<u>FYE 2023</u>		<u>FYE 2022</u>	<u>FYE 2023</u>		<u>FYE 2022</u>	<u>FYE 2023</u>	
	Average selling price			Volume sold			Revenue		
	per kg			(MT)			(RM'000)		
	(RM)	% change			% change			% change	
Additives	22.50	24.72	9.87	1,013	969	(4.34)	22,796	23,951	5.04
Resins	9.54	8.00	(16.14)	2,043	1,412	(30.89)	19,484	11,303	(41.99)
Pigments and fillers	29.22	30.44	4.18	18	25	38.89	526	761	43.40

The decrease in our revenue was a result of the decrease in our average selling price and volume sold of resins. The decrease in revenue from sale of resins was partially moderated by the increase in revenue from sale of additives as well as pigments and fillers. This was mainly due to the higher average selling prices of additives as well as pigments and fillers in FYE 2023 as our strategy to pass on part of the increased costs to our customers while maintaining our gross margin. Further, changes in our selling prices would also depend on other factors, amongst others, product type, market condition and customer demand.

11. FINANCIAL INFORMATION *(Cont'd)*

(a) Additive

Revenue from sale of additives increased by RM1.15 million or 5.04%, from RM22.80 million in FYE 2022 to RM23.95 million in FYE 2023. This was a result of an increase in average selling price of 9.87%, from RM22.50 per kg in FYE 2022 to RM24.72 per kg in FYE 2023, despite the volume sold had reduced from 1,013 MT in FYE 2022 to 969 MT in FYE 2023 due to lower orders from customers.

(b) Resins

Revenue from sale of resins decreased by RM8.18 million or 41.99%, from RM19.48 million in FYE 2022 to RM11.30 million in FYE 2023. This was as a result of a decrease in average selling price of 16.14%, from RM9.54 per kg in FYE 2022 to RM8.00 per kg in FYE 2023 which was mainly driven by the oversupply of resins attributable to weak global and domestic demand resulting in the resin market experienced a substantial price declined in FYE 2023, and decrease in volume sold of 30.89%, from 2,043 MT in FYE 2022 to 1,412 MT in FYE 2023 mainly due to lower orders from customers. The lower orders was due to decreased demand for paints and coatings used in construction and refurbishment, arising from competition and price pressures from other paints and coatings brands, particularly those from China.

(c) Pigments and fillers

Revenue from sale of pigments and fillers increased by RM0.23 million or 43.40%, from RM0.53 million in FYE 2022 to RM0.76 million in FYE 2023. This was a result of an increase in average selling price of 4.18%, from RM29.22 per kg in FYE 2022 to RM30.44 per kg in FYE 2023. The volume sold also contributed to a higher revenue, increased from 18 MT in FYE 2022 to 25 MT in FYE 2023 due to higher orders from customers.

(ii) Manufacturing and trading of rubber products

Our Group recorded a revenue of RM0.10 million in FYE 2022, arising from the trial run and sale of our rubber product samples to potential customers in FYE 2022 before the commencement of factory operations in FYE 2023. The revenue increased by RM1.04 million or 1,040.00%, from RM0.10 million in FYE 2022 to RM1.14 million in FYE 2023 mainly arising from sale of our manufactured dental dams, latex sheets and prophylactic (oral) dams.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our Group's total revenue increased by RM6.78 million or 18.25%, from RM37.15 million in FYE 2023 to RM43.93 million in FYE 2024, contributed by the higher revenue contribution from the distribution, sales and application formulation of specialty industrial chemical products segment and the manufacturing and trading of rubber products segment, which recorded an increase in revenue of RM4.85 million and RM1.92 million during FYE 2024, respectively.

(i) Distribution, sales and application formulation of specialty industrial chemical products

Our revenue recorded an increase of RM4.85 million or 13.46%, from RM36.02 million in FYE 2023 to RM40.87 million in FYE 2024, mainly due to increased demand for our specialty industrial chemical products, driven by increased purchasing activities from our customers in response to the growing need for high-performance coatings across various downstream industries such as construction, automotive, and paints and coating manufacturing.

In FYE 2023 and FYE 2024, 64.47% and 61.65% of total revenue was contributed by sale of additives, respectively; and followed by sale of resins, representing 30.42% and 29.06% of total revenue, respectively.

In terms of revenue by our specialty industrial chemical product categories, the volume sold by MT and average selling price per kg are as follows:

	<u>FYE 2023</u>	<u>FYE 2024</u>		<u>FYE 2023</u>	<u>FYE 2024</u>		<u>FYE 2023</u>	<u>FYE 2024</u>	
	Average selling price			Volume sold			Revenue		
	per kg			(MT)			(RM'000)		
	(RM)	% change			% change			% change	
Additives	24.72	25.06	1.38	969	1,081	11.56	23,951	27,085	13.11
Resins	8.00	9.28	16.00	1,412	1,375	(2.62)	11,303	12,766	13.01
Pigments and fillers	30.44	24.88	(18.27)	25	41	64.00	761	1,020	34.21

11. FINANCIAL INFORMATION (Cont'd)

The increase in our revenue was a result of the increase in our average selling price and volume sold of additives, as well as increase in average selling price of resins. Further, the higher revenue derived from sale of pigments and fillers attributable to increase in volume sold had also contributed to the increase in revenue from distribution, sales and application formulation of specialty industrial chemical products. The increases in average selling prices of additives and resins were mainly due to a combination of factors: higher sales of existing higher-priced products and the introduction of new products in FYE 2024 which were in the higher range of selling price. This shift in the product mix, with a greater proportion of sales coming from higher-priced items, directly contributed to the overall revenue increase.

(a) Additive

Revenue from sale of additives increased by RM3.14 million or 13.11%, from RM23.95 million in FYE 2023 to RM27.09 million in FYE 2024. This was a result of an increase in volume sold of 11.56%, from 969 MT in FYE 2023 to 1,081 MT in FYE 2024 due to higher orders from customers, coupled with an increase in average selling price of 1.38%, from RM24.72 per kg in FYE 2023 to RM25.06 per kg in FYE 2024.

(b) Resins

Revenue from sale of resins increased by RM1.47 million or 13.01%, from RM11.30 million in FYE 2023 to RM12.77 million in FYE 2024. This was as a result of an increase in average selling price of 16.00%, from RM8.00 per kg in FYE 2023 to RM9.28 per kg in FYE 2024 as the higher sales of existing higher-priced resin products and the introduction of new resin products in FYE 2024 which were in the higher range of selling price, despite the volume sold had reduced from 1,412 MT in FYE 2023 to 1,375 MT in FYE 2024 due to lower orders from customers.

(c) Pigments and fillers

Revenue from sale of pigments and fillers increased by RM0.26 million or 34.21%, from RM0.76 million in FYE 2023 to RM1.02 million in FYE 2024. This was a result of an increase in volume sold of 64.00% from 25 MT in FYE 2023 to 41 MT in FYE 2024 due to higher orders from customers, despite average selling price decreased by 18.27%, from RM30.44 per kg in FYE 2023 to RM24.88 per kg in FYE 2024. This was mainly due to high volume sold of a new pigment product introduced in FYE 2024 which was in lower range of selling price.

11. FINANCIAL INFORMATION *(Cont'd)*

(ii) Manufacturing and trading of rubber products

Our revenue recorded an increase of RM1.92 million or 168.42%, from RM1.14 million in FYE 2023 to RM3.06 million in FYE 2024. This increase was largely contributed by:

- (a) higher sale of personal care products of RM1.65 million or 144.74%, from RM1.14 million in FYE 2023 to RM2.79 million in FYE 2024, was mainly attributable to:
 - sale of dental dams increased by RM0.96 million arising from orders from customers in FYE 2024, primarily driven by a customer based in China who has been transacting with our Group since FYE 2023 and procured larger quantities in FYE 2024 for sale in more regions of China; and
 - sale of prophylactic (oral) dams increased by RM0.51 million arising from orders from customers in FYE 2024.
- (b) new revenue stream from sale of lifestyle products of RM0.27 million in FYE 2024 where our Group commenced the manufacturing of exercise bands in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our Group's total revenue decreased by RM5.27 million or 12.00%, from RM43.93 million in FYE 2024 to RM38.66 million in FYE 2025, due to the lower revenue contributions from both the distribution, sales and application formulation of specialty industrial chemical products segment and the manufacturing and trading of rubber products segment, which recorded a decrease in revenue of approximately RM5.11 million and RM0.15 million, respectively, in FYE 2025.

(i) Distribution, sales and application formulation of specialty industrial chemical products

Our revenue recorded a decrease of RM5.11 million or 12.50%, from RM40.87 million in FYE 2024 to RM35.76 million in FYE 2025, mainly due to decreased demand for our specialty industrial chemical products (i.e. resins). This was driven by decreased purchasing activities from our customers in the paints and coatings manufacturing, arising from competition and price pressures from other paints and coatings brands, particularly those from China.

In FYE 2024 and FYE 2025, 61.65% and 66.42% of total revenue was contributed by sale of additives, respectively; and followed by sale of resins, representing 29.06% and 22.73% of total revenue, respectively.

11. FINANCIAL INFORMATION (Cont'd)

In terms of revenue by our specialty industrial chemical product categories, the volume sold by MT and average selling price per kg are as follows:

	<u>FYE 2024</u>	<u>FYE 2025</u>		<u>FYE 2024</u>	<u>FYE 2025</u>		<u>FYE 2024</u>	<u>FYE 2025</u>	
	<u>Average selling price</u>			<u>Volume sold</u>			<u>Revenue</u>		
	<u>per kg</u>			<u>(MT)</u>			<u>(RM'000)</u>		
	<u>(RM)</u>	<u>% change</u>			<u>% change</u>			<u>% change</u>	
Additives	25.06	24.32	(2.95)	1,081	1,056	(2.31)	27,085	25,680	(5.20)
Resins	9.28	9.87	6.36	1,375	890	(35.27)	12,766	8,788	(31.17)
Pigments and fillers	24.88	24.28	(2.41)	41	53	29.27	1,020	1,287	26.47

The decrease in our revenue was mainly due to the decrease in volume sold of our existing lower-priced resin products.

(a) Additive

Revenue from sale of additives decreased by RM1.41 million or 5.20%, from RM27.09 million in FYE 2024 to RM25.68 million in FYE 2025. This was a result of a decrease in volume sold of 2.31%, from 1,081 MT in FYE 2024 to 1,056 MT in FYE 2025 due to lower orders from customers. Our average selling price of additives decreased by 2.95%, from RM25.06 per kg in FYE 2024 to RM24.32 per kg in FYE 2025. This was attributable to higher sales of lower-priced additive products.

(b) Resins

Revenue from sale of resins decreased by RM3.98 million or 31.17%, from RM12.77 million in FYE 2024 to RM8.79 million in FYE 2025. This was a result of a decrease in volume sold of 35.27%, from 1,375 MT in FYE 2024 to 890 MT in FYE 2025 due to lower orders from customers on our existing lower-priced resin products. Our average selling price of our resins increased by 6.36%, from RM9.28 per kg in FYE 2024 to RM9.87 per kg in FYE 2025. This was attributable to more sale on higher-priced resin products.

(c) Pigments and fillers

Revenue from sale of pigments and fillers increased by RM0.27 million or 26.47%, from RM1.02 million in FYE 2024 to RM1.29 million in FYE 2025. This was a result of an increase in volume sold from 41 MT in FYE 2024 to 53 MT in FYE 2025 due to higher orders from customers despite a decrease in average selling price of 2.41%, from RM24.88 per kg in FYE 2024 to

11. FINANCIAL INFORMATION (Cont'd)

RM24.28 per kg in FYE 2025. This was mainly due to higher sales of existing lower-priced pigment products, partially offset by the high volume sold of a new pigment product introduced in FYE 2025 which was in higher range of selling price.

(ii) Manufacturing and trading of rubber products

Our revenue recorded a decrease of RM0.15 million or 4.90%, from RM3.06 million in FYE 2024 to RM2.91 million in FYE 2025. This was mainly attributed to a decrease in revenue contribution from lifestyle products of RM0.27 million in FYE 2025 due to lower orders of exercise bands compared with FYE 2024. The decrease was partially offset by the higher sale of personal care products of RM0.12 million or 4.30%, from RM2.79 million in FYE 2024 to RM2.91 million in FYE 2025.

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11. FINANCIAL INFORMATION (Cont'd)**(b) Cost of sales****Analysis of cost of sales by business segments**

The breakdown of our Group's cost of sales by business segments for the Financial Periods Under Review are as follows:

Business segments	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution, sales and application formulation of specialty industrial chemical products								
- Additives	15,008	46.81	15,212	60.59	19,575	61.46	18,068	64.72
- Resins	16,336	50.96	8,443	33.63	9,836	30.88	6,961	24.93
- Pigments and fillers	520	1.62	662	2.63	711	2.23	1,157	4.14
Subtotal	31,864	99.39	24,317	96.85	30,122	94.57	26,186	93.79
Manufacturing and trading of rubber products								
- Personal care products	197	0.61	790	3.15	1,577	4.95	1,734	6.21
- Lifestyle products	-	-	-	-	153	0.48	1	^
Subtotal	197	0.61	790	3.15	1,730	5.43	1,735	6.21
Total	32,061	100.00	25,107	100.00	31,852	100.00	27,921	100.00

Note:

^ Less than 0.01%.

Analysis of cost of sales by cost components

The breakdown of our Group's cost of sales by cost components for the Financial Periods Under Review are as follows:

Cost components	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases ⁽ⁱ⁾	31,408	97.96	24,304	96.80	30,673	96.30	26,651	95.45
Custom duty and freight charges	456	1.42	240	0.96	319	1.00	532	1.91
Upkeep and maintenance	14	0.04	56	0.22	27	0.09	32	0.11
Labour costs ⁽ⁱⁱ⁾	123	0.39	332	1.32	602	1.89	480	1.72
Depreciation ⁽ⁱⁱⁱ⁾	40	0.13	136	0.54	144	0.45	155	0.56
Utilities	6	0.02	39	0.16	87	0.27	71	0.25
Returned products ^(iv)	14	0.04	-	-	-	-	-	-
Total	32,061	100.00	25,107	100.00	31,852	100.00	27,921	100.00

11. FINANCIAL INFORMATION (Cont'd)**Notes:****(i) Purchases**

Purchases mainly consist of specialty industrial chemical products such as additives, resins, pigments and fillers, and rubber latex materials such as latex as well as the inventories movement during the financial year.

Purchases was the largest component of our cost of sales, which accounted for 97.96%, 96.80%, 96.30% and 95.45% of our total cost of sales for FYE 2022, FYE 2023, FYE 2024 and FYE 2025.

(ii) Labour costs

Labour costs consist mainly of production related labour costs, which includes employees' salaries, bonus and defined contribution plan, and subcontracting costs directly involved in the manufacturing and trading of rubber products segment.

Our labour costs represented 0.39%, 1.32%, 1.89% and 1.72% of our total cost of sales for FYE 2022, FYE 2023, FYE 2024 and FYE 2025. The change in our labour costs for our production was in tandem with the change in production headcount as well as increase in subcontracting costs for packaging our rubber products, which were in line with the increase in our volume sold of the rubber products.

(iii) Depreciation

Depreciation charged on the machineries and equipment under the Novatex Product's factory located at Property No. 13. Our Group commenced the factory operations in manufacturing of rubber products in FYE 2023.

(iv) Returned products

Relates to defective products returned by customers.

Comparison between FYE 2022 and FYE 2023**Cost components**

Our cost of sales decreased by RM6.95 million or 21.68%, from RM32.06 million in FYE 2022 to RM25.11 million in FYE 2023.

The decrease in cost of sales was primarily as a result of:

- (i) decrease in purchases of RM7.11 million or 22.64%, mainly attributable to a decline in purchases of specialty industrial chemical products i.e. resins and additives; and
- (ii) decrease in custom duty and freight charges of RM0.22 million or 47.83%, attributable to lower purchases of specialty industrial chemical products in FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)

The decrease in cost of sales was partially offset by the increase in labour costs of RM0.21 million or 175.00%, attributable to labour costs for our manufacturing and trading of rubber products segment which our Group commenced production activities and recruited 13 production staffs in FYE 2023.

Business segments

Our cost of sales decreased by RM6.95 million or 21.68%, from RM32.06 million in FYE 2022 to RM25.11 million in FYE 2023. This decrease was attributable to a decrease in cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment of RM7.54 million, in tandem with the decrease in its associated revenue of RM6.79 million in FYE 2023. The decrease was partially offset by an increase in cost of sales from manufacturing and trading of rubber products segment of RM0.59 million in FYE 2023.

Distribution, sales and application formulation of specialty industrial chemical products

Our cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment decreased by RM7.54 million or 23.67%, from RM31.86 million in FYE 2022 to RM24.32 million in FYE 2023.

Product category

The following table sets forth the breakdown of average cost price of our specialty industrial chemical products, and the percentage represents as a change between previous and present year, for the years indicated.

	FYE 2022	FYE 2023	
	Average cost price per kg		
	(RM)		% change
Additives	14.82	15.70	5.94
Resins	8.00	5.98	(25.25)
Pigments and fillers	28.89	26.48	(8.34)

The decrease in cost of sales in FYE 2023 was due to the lower costs for our resins, which dropped by RM7.90 million or 48.35%, from RM16.34 million in FYE 2022 to RM8.44 million in FYE 2023. The lower costs for resins were due to a decrease in volume sold of resins of 30.89% in FYE 2023, and a decrease in average cost price for resins of 25.25%, from RM8.00 per kg in FYE 2022 to RM5.98 per kg in FYE 2023 as our Group was able to secure lower purchasing price of resin products from our suppliers driven by the oversupply of resins, turning the market into a buyer's market with some producers offering discounted prices.

The decrease in costs for resins was partially offset by the following:

- (i) our costs for additives increased by RM0.20 million or 1.33%, from RM15.01 million in FYE 2022 to RM15.21 million in FYE 2023 due to an increase in average cost price for additives of 5.94%, from RM14.82 per kg in FYE 2022 to RM15.70 per kg in FYE 2023 as the higher purchases of existing higher-priced additive products and the introduction of new additive products in FYE 2023 which were in the higher range of purchase price, despite the volume sold of additives decreased by 4.34% in FYE 2023; and

11. FINANCIAL INFORMATION (Cont'd)

- (ii) our costs for pigments and fillers increased by RM0.14 million or 26.92%, from RM0.52 million in FYE 2022 to RM0.66 million in FYE 2023 due to an increase in volume sold of pigments and fillers of 38.89% in FYE 2023, despite the average cost price for pigments and fillers decreased by 8.34%, from RM28.89 per kg in FYE 2022 to RM26.48 per kg in FYE 2023 due to the net impact from the absence of 4 pigment products in FYE 2023 which were in the higher range of purchase price and the higher purchases of existing lower-priced pigment products.

Manufacturing and trading of rubber products

Our cost of sales from manufacturing and trading of rubber products segment increased by RM0.59 million or 295.00%, from RM0.20 million in FYE 2022 to RM0.79 million in FYE 2023. This increase was attributable to higher purchases and labour costs incurred which corresponded with the sale of our manufactured dental dams, latex sheets and prophylactic (oral) dams following the commencement of factory operations in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Cost components

Our cost of sales increased by RM6.74 million or 26.84%, from RM25.11 million in FYE 2023 to RM31.85 million in FYE 2024.

The increase in cost of sales was primarily as a result of:

- (i) increase in purchases of RM6.37 million or 26.21%, mainly attributable to an increase in purchases of specialty industrial chemical products i.e. additives and pigments, and the increase in purchases of rubber latex materials which were in line with the increased revenue of the manufacturing and trading of rubber products segment in FYE 2024; and
- (ii) increase in labour costs of RM0.27 million or 81.82%, attributable to labour costs for our manufacturing and trading of rubber products segment where we recruited 10 production staffs in FYE 2024.

Business segments

Our cost of sales increased by RM6.74 million or 26.84%, from RM25.11 million in FYE 2023 to RM31.85 million in FYE 2024. This increase was attributable to an increase in cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment of RM5.80 million, and cost of sales from manufacturing and trading of rubber products of RM0.94 million in FYE 2024.

Distribution, sales and application formulation of specialty industrial chemical products

Our cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment increased by RM5.80 million or 23.85%, from RM24.32 million in FYE 2023 to RM30.12 million in FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)Product category

The following table sets forth the breakdown of average cost price of our specialty industrial chemical products, and the percentage represents as a change between previous and present year, for the years indicated.

	FYE 2023	FYE 2024	
	Average cost price per kg (RM)		% change
Additives	15.70	18.11	15.35
Resins	5.98	7.15	19.57
Pigments and fillers	26.48	17.34	(34.52)

The increase in cost of sales in FYE 2024 was as a result of:

- (i) our costs for additives increased by RM4.37 million or 28.73%, from RM15.21 million in FYE 2023 to RM19.58 million in FYE 2024 due to an increase in volume sold of additives of 11.56% in FYE 2024 and the increase in average cost price for additives of 15.35%, from RM15.70 per kg in FYE 2023 to RM18.11 per kg in FYE 2024 as the higher purchases of existing higher-priced additive products and the introduction of new additive products in FYE 2024 which were in the higher range of purchase price;
- (ii) our costs for resins increased by RM1.40 million or 16.59%, from RM8.44 million in FYE 2023 to RM9.84 million in FYE 2024 due to an increase in average cost price for resins of 19.57%, from RM5.98 per kg in FYE 2023 to RM7.15 per kg in FYE 2024 as the higher purchases of existing higher-priced resin products and the introduction of new resin products in FYE 2024 which were in the higher range of purchase price, despite the volume sold of resins decreased by 2.62% in FYE 2024; and
- (iii) our costs for pigments and fillers increased by RM0.05 million or 7.58%, from RM0.66 million in FYE 2023 to RM0.71 million in FYE 2024 due to an increase in volume sold of pigments and fillers of 64.00% in FYE 2024, despite the average cost price for pigments and fillers decreased by 34.52%, from RM26.48 per kg in FYE 2023 to RM17.34 per kg in FYE 2024 as a result of the introduction of a new pigment product in FYE 2024 which was in the lower range of purchase price.

Manufacturing and trading of rubber products

Our cost of sales from manufacturing and trading of rubber products increased by RM0.94 million or 118.99%, from RM0.79 million in FYE 2023 to RM1.73 million in FYE 2024. This increase was attributable to higher purchases and labour costs incurred which corresponded with the higher sales of our manufactured dental dams, latex sheets and prophylactic (oral) dams, as well as a new revenue stream from the manufactured exercise bands in FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2024 and FYE 2025****Cost components**

Our cost of sales decreased by RM3.93 million or 12.34%, from RM31.85 million in FYE 2024 to RM27.92 million in FYE 2025.

The decrease in cost of sales was primarily as a result of the decrease in purchases of RM4.02 million or 13.11%, attributable to the following:

- (i) decrease in purchases of specialty industrial chemical products i.e. additives and resins, but was partially offset by the increase in purchases of rubber latex materials, driven by utilisation of work-in-progress products carried forward from FYE 2024 which had the higher average purchasing price in rubber latex. Nonetheless, the average purchasing price in rubber latex materials had decreased by 11.94% from RM694.26 per kg in FYE 2024 to RM611.38 per kg in FYE 2025; and
- (ii) decrease in labour costs of RM0.12 million or 20.00%, mainly due to reclassification of a director's remuneration to administrative expenses consequential to his appointment as a director of Novatex Product on 21 February 2025.

The decrease in purchases was partially offset by an increase in custom duty and freight charges of RM0.21 million or 65.63%, attributable to purchase of specialty industrial chemical products delivered through air freight which had higher costs as well as higher custom duty for port clearance of our finished goods charged by the forwarders.

Business segments

Our cost of sales decreased by RM3.93 million or 12.34%, from RM31.85 million in FYE 2024 to RM27.92 million in FYE 2025. This decrease was attributable to a decrease in cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment of RM3.93 million. The decrease was partially offset by an increase in cost of sales from manufacturing and trading of rubber products segment of RM0.01 million in FYE 2025.

Distribution, sales and application formulation of specialty industrial chemical products

Our cost of sales from distribution, sales and application formulation of specialty industrial chemical products segment decreased by RM3.93 million or 13.05%, from RM30.12 million in FYE 2024 to RM26.19 million in FYE 2025.

Product category

The following table sets forth the breakdown of average cost price of our specialty industrial chemical products, and the percentage represents as a change between previous and present year, for the period indicated.

	FYE 2024	FYE 2025	
	Average cost price per kg		
	(RM)		% change
Additives	18.11	17.11	(5.52)

11. FINANCIAL INFORMATION (Cont'd)

	FYE 2024	FYE 2025	
	Average cost	price per kg	
	(RM)		% change
Resins	7.15	7.82	9.37
Pigments and fillers	17.34	21.83	25.89

The decrease in cost of sales in FYE 2025 was as a result of:

- (i) our costs for additives decreased by RM1.51 million or 7.71%, from RM19.58 million in FYE 2024 to RM18.07 million in FYE 2025 due to a decrease in volume sold of additives of 2.31% in FYE 2025 and the decrease in average cost price for additives of 5.52%, from RM18.11 per kg in FYE 2024 to RM17.11 per kg in FYE 2025 mainly due to the higher purchases of existing lower-priced additive products;
- (ii) our costs for resins decreased by RM2.88 million or 29.27%, from RM9.84 million in FYE 2024 to RM6.96 million in FYE 2025 due to a decrease in volume sold of resins of 35.27% in FYE 2025 and this was partially offset by an increase in average cost price for resins of 9.37%, from RM7.15 per kg in FYE 2024 to RM7.82 per kg in FYE 2025 mainly due to the lower purchases of existing lower-priced resin products; and
- (iii) our costs for pigments and fillers increased by RM0.45 million or 63.38%, from RM0.71 million in FYE 2024 to RM1.16 million in FYE 2025 due to increase in average cost price for pigments and fillers of 25.89%, from RM17.34 per kg in FYE 2024 to RM21.83 per kg in FYE 2025 attributed to the high volume sold of a new pigment product introduced in FYE 2025 that had higher purchasing price.

Manufacturing and trading of rubber products

Our cost of sales from manufacturing and trading of rubber products increased by RM0.01 million or 0.58%, from RM1.73 million in FYE 2024 to RM1.74 million in FYE 2025. This was attributable to increase in purchases of rubber latex materials, driven by utilisation of work-in-progress products carried forward from FYE 2024 which had the higher average purchasing price in rubber latex.

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11. FINANCIAL INFORMATION (Cont'd)**(c) GP and GP margin****Analysis of GP and GP margin by business segments**

The breakdown of our Group's GP and GP margin by business segments for the Financial Periods Under Review are as follows:

Business segments	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	GP/ (GL)	GP/ (GL)	GP	GP	GP	GP	GP	GP
	RM'000	margin %	RM'000	margin %	RM'000	margin %	RM'000	margin %
Distribution, sales and application formulation of specialty industrial chemical products								
- Additives	7,788	34.16	8,739	36.49	7,510	27.73	7,612	29.64
- Resins	3,148	16.16	2,860	25.30	2,930	22.95	1,827	20.79
- Pigments and fillers	6	1.14	99	13.01	309	30.29	130	10.10
Subtotal	10,942	25.56	11,698	32.48	10,749	26.30	9,569	26.76
Manufacturing and trading of rubber products								
- Personal care products	(102)	(107.37)	346	30.46	1,212	43.46	1,171	40.31
- Lifestyle products	-	-	-	-	119	43.75	1	50.00
Subtotal	(102)	(107.37)	346	30.46	1,331	43.48	1,172	40.32
Total	10,840	25.27	12,044	32.42	12,080	27.50	10,741	27.78

Comparison between FYE 2022 and FYE 2023

Our overall GP increased by RM1.20 million or 11.07% from RM10.84 million in FYE 2022 to RM12.04 million in FYE 2023, mainly contributed by the increase in the GP from the distribution, sales and application formulation of specialty industrial chemical products segment, and the manufacturing and trading of rubber products segment, which recorded an increase of RM0.76 million and RM0.45 million, respectively in FYE 2023.

Our overall GP margin increased to 32.42% in FYE 2023 (FYE 2022: 25.27%). This was mainly contributed by the improved GP margin from both segments in FYE 2023.

Distribution, sales and application formulation of specialty industrial chemical products

Our GP for the distribution, sales and application formulation of specialty industrial chemical products segment increased by RM0.76 million or 6.95% from RM10.94 million in FYE 2022 to RM11.70 million in FYE 2023. This was driven by the higher GP from sale of additives of RM0.95 million and from the sale of pigments and fillers of RM0.09 million. The increase was partially offset by the decrease in GP from sale of resins of RM0.29 million.

11. FINANCIAL INFORMATION (Cont'd)

Our GP margin for the distribution, sales and application formulation of specialty industrial chemical products segment increased to 32.48% in FYE 2023 (FYE 2022: 25.56%), which was due to the better GP margin generated from the sale of additives, resins as well as pigments and fillers in FYE 2023. Further, the GP margin for resins increased from 16.16% in FYE 2022 to 25.30% in FYE 2023. This was mainly because our Group was able to secure lower purchasing price of resin products from our suppliers driven by the oversupply of resins, turning the market into a buyer's market with some producers offering discounted prices.

Manufacturing and trading of rubber products

We recorded a GL of RM0.10 million for the manufacturing and trading of rubber products segment in FYE 2022 as compared to a GP of RM0.35 million in FYE 2023, mainly attributable to GP contribution from our manufacturing and trading of personal care products in FYE 2023.

Further, our Group had incurred some costs (i.e. upkeep of factory, depreciation on right-of-use assets and casual workers) relating to the factory prior to the commencement of factory operations, which leading to a GL margin of 107.37% in FYE 2022.

In FYE 2023, our GP margin for the manufacturing and trading of rubber products segment for FYE 2023 recorded at 30.46% as our Group commenced our production activities to manufacture and sell our rubber products to customers.

Comparison between FYE 2023 and FYE 2024

Our overall GP increased by RM0.04 million or 0.33% from RM12.04 million in FYE 2023 to RM12.08 million in FYE 2024, mainly contributed by the increase in the GP from the manufacturing and trading of rubber products segment, which recorded an increase of RM0.98 million. The increase in GP from the manufacturing and trading of rubber products segment was partially offset by a decrease in GP from distribution, sales and application formulation of specialty industrial chemical products segment of RM0.95 million in FYE 2024.

Our overall GP margin decreased to 27.50% in FYE 2024 (FYE 2023: 32.42%). This was primarily attributable to a lower GP margin from distribution, sales and application formulation of specialty industrial chemical products segment, which stood at 26.30% in FYE 2024. This was cushioned by the higher GP margin from the manufacturing and trading of rubber products segment, at 43.48%.

Distribution, sales and application formulation of specialty industrial chemical products

Our GP for the distribution, sales and application formulation of specialty industrial chemical products segment decreased by RM0.95 million or 8.12% from RM11.70 million in FYE 2023 to RM10.75 million in FYE 2024, contributed by the lower GP from sale of additives of RM1.23 million (mainly as a result of higher average cost price for additive products).

The decrease in GP from sale of additives was partially offset by an increase in GP from sale of pigments and fillers of RM0.21 million, attributable to higher volume sold of 3 pigment products with better GP margins, and an increase in GP from sale of resins of RM0.07 million, which was in line with the growth of our revenue from the sale of resins, in FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)

Our GP margin for the distribution, sales and application formulation of specialty industrial chemical products segment decreased to 26.30% in FYE 2024 (FYE 2023: 32.48%), which was due to the drop in GP margins generated for sale of additives and resins, driven by products mix with different GP margins where most of the products sold in FYE 2024 had lower GP margins in FYE 2024 as compared to FYE 2023. The reduction in GP margin for sale of additives and resins was partially cushioned by an increase in GP margin for sale of pigments and fillers, which was attributable to higher volume sold of 3 pigment products with better GP margins in FYE 2024.

Manufacturing and trading of rubber products

Our GP for the manufacturing and trading of rubber products segment increased by approximately RM0.98 million or 280.00% from RM0.35 million in FYE 2023 to RM1.33 million in FYE 2024, which was in line with the growth of our revenue from the sale of personal care products and lifestyle products.

Our GP margin for the manufacturing and trading of rubber products segment increased to 43.48% in FYE 2024 (FYE 2023: 30.46%), which was due to the increase in our production capacity through higher machine utilisation rate and hence leading to a higher GP margin.

Comparison between FYE 2024 and FYE 2025

Our overall GP decreased by RM1.34 million or 11.09% from RM12.08 million in FYE 2024 to RM10.74 million in FYE 2025, contributed by a decrease in GP from distribution, sales and application formulation of specialty industrial chemical products segment of RM1.18 million and manufacturing and trading of rubber products segment of RM0.16 million in FYE 2025.

Our overall GP margin increased to 27.78% in FYE 2025 (FYE 2024: 27.50%). This was contributed by the improved GP margin from the distribution, sales and application formulation of specialty industrial chemical products segment, increasing from 26.30% in FYE 2024 to 26.76% in FYE 2025.

Distribution, sales and application formulation of specialty industrial chemical products

Our GP for the distribution, sales and application formulation of specialty industrial chemical products segment decreased by RM1.18 million or 10.98% from RM10.75 million in FYE 2024 to RM9.57 million in FYE 2025, mainly contributed by the lower GP from sale of resins (RM1.10 million), as a result of the decrease in volume sold and higher average cost price.

Our GP margin for the distribution, sales and application formulation of specialty industrial chemical products segment increased to 26.76% in FYE 2025 (FYE 2024: 26.30%), which was due to the increase in GP margin for sale of additives, driven by higher volume sold of 3 additive products with better GP margins in FYE 2025. The increase in GP margin for sale of additives was partially offset by the decrease in GP margin for sale of resins as well as pigments and fillers, which were attributable to products mix with different GP margins where most of the products sold had lower GP margins in FYE 2025 as compared to FYE 2024.

11. FINANCIAL INFORMATION (Cont'd)Manufacturing and trading of rubber products

Our GP for the manufacturing and trading of rubber products segment decreased by RM0.16 million or 12.03% from RM1.33 million in FYE 2024 to RM1.17 million in FYE 2025, which was in line with the decrease in our revenue from the sale of lifestyle products.

Our GP margin for the manufacturing and trading of rubber products segment decreased to 40.32% in FYE 2025 (FYE 2024: 43.48%), which was mainly due to the increase in purchases of rubber latex materials, driven by utilisation of work-in-progress products carried forward from FYE 2024 which had the higher average purchasing price in rubber latex

(d) Other income

The breakdown of our Group's other income for the Financial Periods Under Review are as follows:

Other income	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Rental income ⁽¹⁾	233	87.92	882	59.39	882	92.16	963	83.74
Reversal of impairment losses on right-of-use assets	-	-	⁽²⁾ 184	12.39	-	-	-	-
Reversal of impairment losses of property, plant and equipment	-	-	⁽²⁾ 220	14.82	-	-	-	-
Gain on foreign exchange ⁽³⁾	28	10.57	175	11.78	52	5.43	154	13.39
Interest income ⁽⁴⁾	3	1.13	19	1.28	6	0.63	2	0.17
Deposit forfeited ⁽⁵⁾	-	-	5	0.34	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-	10	1.05	-	-
Others ⁽⁶⁾	1	0.38	-	-	7	0.73	31	2.70
Total	265	100.00	1,485	100.00	957	100.00	1,150	100.00

Notes:

(1) Relates to rental income derived from third party for the rental of Property No. 8 in FYE 2022, FYE 2023, FYE 2024 and FYE 2025.

(2) Relates to the machineries and equipment under the manufacturing and trading of rubber products segment which was previously impaired as a result of inactive production activity in FYE 2022. During which, our Company was in the process of applying for the necessary licenses from the relevant authorities for the commencement of factory operations in FYE 2023. In FYE 2023, our Group reversed the impairment losses on the right-of-use assets

11. FINANCIAL INFORMATION (Cont'd)

and property, plant and equipment following the commencement of factory operations.

- (3) Mainly relates to the collections from customers in foreign currency due to the conversion of RM to USD being higher than the book rate (based on the average exchange rate of approximately RM4.27:USD1.00 for FYE 2022, RM4.47:USD1.00 for FYE 2023, RM4.60:USD1.00 for FYE 2024, RM4.28:USD1.00 for FYE 2025).
- (4) Relates to interest income from bank balances deposited in licensed banks.
- (5) Relates to the rental deposit forfeited by us from a tenant for an investment property located at Property No. 138 in FYE 2023.
- (6) Mainly relates to reversal on overprovision of tax fee for year 2021 in FYE 2022, sale of scrap rubber, incentive from MATRADE for onboarding the cross-border e-commerce platforms in FYE 2024 and incentive from MATRADE for digital marketing activities and e-commerce training in FYE 2025. These one-off incentives from MATRADE were received as a result of our subsidiary, Novatex Product onboarded such platform to sell our rubber products in FYE 2024 and conducted digital marketing activities to promote our rubber products on such platform in FYE 2025.

Comparison between FYE 2022 and FYE 2023

Our other income increased by RM1.22 million or 451.85% from RM0.27 million in FYE 2022 to RM1.49 million in FYE 2023, mainly due to the following:

- (i) higher rental income of RM0.65 million, mainly due to the full recognition of rental income from the leasing of Property No. 8 during FYE 2023, where the rental was commenced in mid of September 2022;
- (ii) reversals of impairment losses on the right-of-use assets and property, plant and equipment of RM0.18 million and RM0.22 million, respectively, following the commencement of factory operations in FYE 2023; and
- (iii) higher gain on foreign exchange of RM0.15 million for the collections from overseas customers, due to the strengthening of USD against RM during FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our other income decreased by RM0.53 million or 35.57% from RM1.49 million in FYE 2023 to RM0.96 million in FYE 2024, mainly due to the following:

- (i) absence of the reversals of impairment losses on the right-of-use assets and property, plant and equipment, which was incurred at RM0.18 million and RM0.22 million, respectively, in FYE 2023, and did not recur in FYE 2024; and
- (ii) lower gain on foreign exchange of RM0.13 million due to collections from overseas customers were lower in FYE 2024, despite the strengthening of USD against RM.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2024 and FYE 2025**

Our other income increased by RM0.19 million or 19.79% from RM0.96 million in FYE 2024 to RM1.15 million in FYE 2025, mainly due to the following:

- (i) higher gain on foreign exchange of RM0.10 million for the collections from overseas customers due to the volatility within an overall narrow trading range of the RM against the USD during the first half of FYE 2025. For clarification, RM began to strengthen against USD in 2025 and the pace of appreciation was more significant in second half of 2025; and
- (ii) higher rental income of RM0.08 million, due to under provision of 1-month rental income for FYE 2022.

(e) Selling and distribution expenses

The breakdown of our Group's selling and distribution expenses for the Financial Periods Under Review are as follows:

Selling and distribution expenses	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Transportation charges	208	44.92	266	68.38	319	69.65	310	71.77
Commission ⁽¹⁾	163	35.21	73	18.77	38	8.30	35	8.10
Travelling and accommodation	44	9.50	29	7.45	69	15.06	42	9.72
Advertisement	3	0.65	13	3.34	22	4.80	21	4.86
Exhibition expenses	15	3.24	-	-	-	-	-	-
Product related expenses	30	6.48	8	2.06	9	1.97	10	2.31
Storage charges ⁽²⁾	-	-	*	^	1	0.22	14	3.24
Total	463	100.00	389	100.00	458	100.00	432	100.00

Notes:

* Less than RM500.

^ Less than 0.01%.

(1) Relates to commission payable to third parties for business referrals.

(2) Relates to storage charges by the transporters for keeping the inventories.

Comparison between FYE 2022 and FYE 2023

Our selling and distribution expenses decreased by RM0.07 million or 15.22% from RM0.46 million in FYE 2022 to RM0.39 million in FYE 2023, mainly attributable to the following:

11. FINANCIAL INFORMATION (Cont'd)

- (i) decrease in commission of RM0.09 million in FYE 2023 due to lesser business referrals;
- (ii) lower product related expenses of RM0.02 million, due to the new chemical product testing performed in FYE 2022 which did not incur in FYE 2023; and
- (iii) absence of exhibition expenses of RM0.02 million which our Group participated in FYE 2022 and did not incur in FYE 2023.

The decrease in selling and distribution expenses was partially offset by the higher transportation charges by RM0.06 million in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our selling and distribution expenses increased by RM0.07 million or 17.95% from RM0.39 million in FYE 2023 to RM0.46 million in FYE 2024, mainly attributable to an increase in transportation charges of RM0.05 million, in line with the increased revenue in FYE 2024, for delivering our products to customers, as well as an increase in travelling and accommodation of RM0.04 million related to customer visits.

The increase in selling and distribution expenses was partially offset by the lower commission of RM0.03 million due to lesser business referrals in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our selling and distribution expenses decreased by RM0.03 million or 6.52% from RM0.46 million in FYE 2024 to RM0.43 million in FYE 2025, attributable to lower travelling and accommodation expenses of RM0.03 million that was due to fewer trips incurred for customer visits during FYE 2025.

(f) Administrative expenses

The breakdown of our Group's administrative expenses for the Financial Periods Under Review are as follows:

Administrative expenses	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	968	33.96	1,056	29.99	1,469	38.97	1,339	34.48
Directors' remuneration	691	24.25	758	21.53	799	21.19	1,127	29.02
Depreciation	265	9.30	406	11.53	478	12.68	435	11.20
Professional fees ⁽²⁾	162	5.69	491	13.94	313	8.30	376	9.68
Office expenses ⁽³⁾	193	6.77	263	7.47	185	4.91	173	4.46
Upkeep and maintenance ⁽⁴⁾	252	8.84	199	5.65	270	7.16	262	6.75
Travelling and accommodation	103	3.61	121	3.44	139	3.68	89	2.29
Rental expenses ⁽⁵⁾	148	5.19	120	3.41	1	0.03	6	0.16
Marketing expenses ⁽⁶⁾	68	2.39	107	3.04	116	3.08	76	1.96
Total	2,850	100.00	3,521	100.00	3,770	100.00	3,883	100.00

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Mainly include staff salaries, wages, bonuses, defined contribution plan, and other staff related expenses such as staff welfare, medical fees and training expenses.
- (2) Mainly include fees incurred for audit, company secretarial, legal, tax and valuation for the properties as well as listing expenses in relation to the IPO.
- (3) Mainly include utilities, telephone charges, license fees, printing, courier and stationery, late payments charges for estimated taxation payments for under provision of taxation for year of assessment of 2022, as well as compound paid to Selayang Municipal Council pursuant to Notice of Defects and Offers of Compounds on Property No. 13.
- (4) Mainly include insurance and road tax for motor vehicles, quit rent and assessment for office premises as well as maintenance of motor vehicles, office equipment and office premises.
- (5) Include rental of factory located at Property No. 13, which was classified as right-of-use asset in FYE 2022, and rental of office and warehouse located at Property No. 17, which was classified as right-of-use asset in FYE 2024. In FYE 2024 and FYE 2025, the rental expenses mainly comprise rental of equipment.
- (6) Mainly include entertainment expenses and annual dinner.

Comparison between FYE 2022 and FYE 2023

Our administrative expenses increased by RM0.67 million or 23.51% from RM2.85 million in FYE 2022 to RM3.52 million in FYE 2023, mainly attributable to the following:

- (i) increase in professional fees of RM0.33 million, mainly attributable to professional fees incurred in relation to our IPO of RM0.26 million for FYE 2023;
- (ii) increase in depreciation of RM0.14 million, mainly attributable to depreciation charged on the Property No. 8 which was classified as investment property in FYE 2022;
- (iii) increase in staff costs of RM0.09 million attributable to annual salary adjustment for existing staffs and expansion of our headcount in FYE 2023;
- (iv) increase in office expenses of RM0.07 million, mainly attributable to late payment charges for estimated taxation payments for under provision of taxation for year of assessment of 2022 of RM0.05 million in FYE 2023; and
- (v) increase in directors' remuneration of RM0.07 million attributable to increased salaries to our directors in FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

Our administrative expenses increased by RM0.25 million or 7.10% from RM3.52 million in FYE 2023 to RM3.77 million in FYE 2024, mainly attributable to the following:

- (i) increase in staff costs of RM0.41 million, mainly attributable to annual salary adjustment and bonus payout for existing staffs and expansion of our headcount in FYE 2024;
- (ii) increase in depreciation of RM0.07 million, mainly attributable to depreciation charged on the Property No. 17 and which was classified as right-of-use asset; and
- (iii) increase in upkeep and maintenance of RM0.07 million, mainly attributable to assessment fees for Lot 93505 and Lot 93506 after the land subdivision completed in 2024.

The increase in administrative expenses was partially offset by the following:

- (i) decrease in professional fees of RM0.18 million, mainly attributable to absence of professional fees incurred in relation to our IPO for FYE 2024; and
- (ii) decrease in rental expenses of RM0.12 million, mainly attributable to absence of the rental of Property No. 17, which was classified as right-of-use asset in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our administrative expenses increased by RM0.11 million or 2.92% from RM3.77 million in FYE 2024 to RM3.88 million in FYE 2025, mainly attributable to an increase in directors' remuneration of RM0.33 million, driven by directors' salaries for newly appointed directors and bonus payout to existing directors in FYE 2025.

The increase in administrative expenses was partially offset by the decrease in staff costs of RM0.13 million, mainly attributable to lower bonus payout to existing staffs in FYE 2025.

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11. FINANCIAL INFORMATION (Cont'd)**(g) Other expenses**

The breakdown of our Group's other expenses for the Financial Periods Under Review are as follows:

Other expenses	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses on right-of-use assets	184	41.44	-	-	-	-	-	-
Impairment losses on property, plant and equipment	220	49.55	-	-	-	-	-	-
Inventories written down	32	7.21	24	38.10	-	-	49	20.25
Loss on foreign exchange	8	1.80	39	61.90	144	100.00	192	79.34
Property, plant and equipment written off	-	-	-	-	-	-	1	0.41
Total	444	100.00	63	100.00	144	100.00	242	100.00

Comparison between FYE 2022 and FYE 2023

Our other expenses decreased by RM0.38 million or 86.36% from RM0.44 million in FYE 2022 to RM0.06 million in FYE 2023, mainly attributable to the absences of impairment losses on right-of-use assets, and property, plant and equipment in FYE 2023. Such impairments were made in FYE 2022 as a result of inactive production activity for the manufacturing and trading of rubber products segment in FYE 2022. Our Group had reversed the impairment on the machineries and equipment following the commencement of factory operations in FYE 2023, please refer to Section 11.2.2 (d) of this Prospectus for detailed information.

The decrease in other expenses was partially offset by the increase in unrealised loss on foreign exchange of RM0.03 million for the conversion of exchange differences on translation of SGD to RM, due to the strengthening of SGD against RM during FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our other expenses increased by RM0.08 million or 133.33% from RM0.06 million in FYE 2023 to RM0.14 million in FYE 2024, mainly attributable to higher loss on foreign exchange of RM0.10 million or 250.00%. This increase was partially offset by the absence of inventories written down in FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our other expenses increased by RM0.10 million or 71.43% from RM0.14 million in FYE 2024 to RM0.24 million in FYE 2025, attributable to higher loss on foreign exchange of RM0.05 million or 35.71% mainly arising from translation on foreign currencies bank balances and trade receivables into RM due to the strengthening of

11. FINANCIAL INFORMATION (Cont'd)

RM against SGD and USD as at 31 December 2025, and inventories written down of RM0.05 million in FYE 2025.

(h) Finance costs

The breakdown of our Group's finance costs for the Financial Periods Under Review are as follows:

Finance costs	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Term loan interests	550	98.74	799	98.04	1,164	97.49	1,437	98.49
Hire purchase interests	7	1.26	7	0.86	8	0.67	4	0.28
Lease liabilities	-	-	-	-	11	0.92	7	0.48
Bank charges	-	-	9	1.10	11	0.92	11	0.75
Total	557	100.00	815	100.00	1,194	100.00	1,459	100.00

Comparison between FYE 2022 and FYE 2023

Our finance costs increased by RM0.26 million or 46.43% from RM0.56 million in FYE 2022 to RM0.82 million in FYE 2023, mainly attributable to the increase in the term loan interests of RM0.25 million as a result of the drawdown of 2 term loans, relating to a new term loan to part finance the purchase of Lot 168659 and further drawdown for an existing term loan to part finance the purchase of Lot 86498.

Comparison between FYE 2023 and FYE 2024

Our finance costs increased by RM0.37 million or 45.12% from RM0.82 million in FYE 2023 to RM1.19 million in FYE 2024, attributable to the increase in the term loan interests of RM0.36 million as a result of the drawdown of 5 term loans, relating to new term loan to part finance the purchase of Lot 168658, and further drawdown for existing term loans to part finance the purchase of Lot 86498 and Lot 168659 as well as for working capital purposes. The increase in finance costs was also due to the interest expenses on lease liabilities of RM0.01 million recorded in FYE 2024 (FYE 2023: RM nil), as a result of classification of Property No. 17 as right-of-use asset.

Comparison between FYE 2024 and FYE 2025

Our finance costs increased by RM0.27 million or 22.69% from RM1.19 million in FYE 2024 to RM1.46 million in FYE 2025, attributable to the increase in the term loan interests of RM0.28 million as a result of further drawdown of existing term loans to part finance the purchase of Lot 86498 and Lot 168659 as well as for working capital purposes.

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11. FINANCIAL INFORMATION (Cont'd)**(i) Net (allowance)/reversal of impairment losses on financial assets**

The breakdown of our Group's net (allowance)/reversal of impairment losses on financial assets for the Financial Periods Under Review are as follows:

		Audited							
		FYE 2022		FYE 2023		FYE 2024		FYE 2025	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
(Allowance) of impairment losses on trade receivables		(250)	120.77	-	-	(50)	(100.00)	-	-
Reversal of impairment losses on trade receivables		43	(20.77)	251	100.00	100	200.00	82	100.00
Net (allowance)/reversal of impairment losses on financial assets		(207)	100.00	251	100.00	50	100.00	82	100.00

Comparison between FYE 2022 and FYE 2023

In FYE 2022, the allowance of impairment losses on trade receivables of RM0.25 million represented the following:

- (i) collective impairment of RM0.02 million arising from the expected credit loss computation under MFRS 9 where the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default. Generally, our Group will reassess the collective impairment of trade receivables at the end of each financial period, considering the credit risk and the number of days the receivables are past due. Based on this reassessment, we will either reverse any excess collective impairment recognised in the previous financial period or increase the collective impairment as needed for the upcoming financial period; and
- (ii) individual impairment of RM0.23 million from amount owing by 1 customer where such receivable was deemed unrecoverable due to payments being outstanding beyond the credit period and the customer was experiencing financial difficulties and unable to make any payments at the end of FYE 2022. However, RM0.17 million of impaired debt has been collected in FYE 2023.

In FYE 2023, there were reversal of impairment losses amounting to RM0.25 million where we reversed the individual impairment of RM0.17 million and excess collective impairment recognised in FYE 2022 of RM0.08 million after the reassessment, considering the credit risk and the number of days the receivables are past due.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2023 and FYE 2024**

In FYE 2024, there were reversal of impairment losses amounting to RM0.10 million where we reversed the individual impairment of RM0.04 million and excess collective impairment recognised in FYE 2022 of RM0.06 million after the reassessment, considering the credit risk and the number of days the receivables are past due.

In FYE 2024, the individual impairment of RM0.05 million from amount owing by 1 customer where such receivable was deemed unrecoverable due to payments being outstanding beyond the credit period and the customer was experiencing financial difficulties and unable to make any payments at the end of FYE 2024.

Comparison between FYE 2024 and FYE 2025

In FYE 2025, there were reversal of impairment losses amounting to RM0.08 million where we reversed the excess collective impairment recognised in preceding years of RM0.08 million after the reassessment, considering the credit risk and the number of days the receivables are past due.

(j) Income tax expense, PBT, PBT margin, PAT and PAT margin

The following table set out the comparison between the income tax expense, statutory tax rates and our effective tax rates for the Financial Periods Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Income tax expense (RM'000)	1,714	2,133	1,874	1,479
Malaysia statutory tax rate (%) ⁽¹⁾	24.00	24.00	24.00	24.00
Singapore statutory tax rate (%) ⁽²⁾	17.00	17.00	17.00	17.00
Effective tax rate (%)	26.03	23.72	24.92	24.83

Notes:

(1) Our Group is subject to the Malaysian income tax rates of 15.00% for the first RM150,000 of chargeable income, 17.00% for the first chargeable income ranging between RM150,001 up to RM600,000 and 24.00% on the remaining chargeable income in FYE 2023, FYE 2024 and FYE 2025. In FYE 2022, the income tax rates were 17.00% on the first RM600,000 of chargeable income and 24.00% on the remaining chargeable income.

(2) Eckem Singapore is qualified for tax rate of 17.00%.

11. FINANCIAL INFORMATION (Cont'd)

The following table set out our PBT, PBT margin, PAT and PAT margin for the Financial Periods Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PBT (RM'000)	6,584	8,992	7,521	5,957
PBT margin (%)	15.35	24.20	17.12	15.41
PAT (RM'000)	4,870	6,859	5,647	4,478
PAT margin (%)	11.35	18.46	12.85	11.58

Comparison between FYE 2022 and FYE 2023

We recorded an increase in PBT of RM2.41 million or 36.63% from RM6.58 million in FYE 2022 to RM8.99 million in FYE 2023. In addition, our PBT margin has increased from 15.35% in FYE 2022 to 24.20% in FYE 2023. The increases in PBT and PBT margin were mainly derived from the higher GP and GP margin, as explained in Section 11.2.2 (c) of this Prospectus, higher other income mainly from higher rental income as well as reversals on impairment losses of right-of-use assets and property, plant and equipment, as explained in Section 11.2.2 (d) of this Prospectus, and net reversal of impairment losses on trade receivables recorded in FYE 2023 as compared to net allowance of impairment losses on trade receivables in FYE 2022, as explained in Section 11.2.2 (i) of this Prospectus.

Our PAT increased from RM4.87 million in FYE 2022 to RM6.86 million in FYE 2023 and PAT margin also increased from 11.35% in FYE 2022 to 18.46% in FYE 2023, in tandem with the higher PBT and PBT margin in FYE 2023.

Our income tax expense increased by RM0.42 million or 24.56%, to RM2.13 million in FYE 2023 (FYE 2022: RM1.71 million), mainly due to higher PBT recorded in FYE 2023.

Our effective tax rate of 23.72% in FYE 2023 (FYE 2022: 26.03%) was lower than the statutory tax rate of 24.00%, mainly due to the preferential tax rates that our subsidiaries were eligible for during FYE 2023.

Our effective tax rate of 26.03% in FYE 2022 was higher than the statutory tax rate of 24.00%, mainly due to add-back of non-deductible expenses, including impairment losses on trade receivables, impairment losses on right-of-use assets, and impairment losses on property, plant and equipment.

Comparison between FYE 2023 and FYE 2024

We recorded a decrease in PBT of RM1.47 million or 16.35% from RM8.99 million in FYE 2023 to RM7.52 million in FYE 2024. In addition, our PBT margin has decreased from 24.20% in FYE 2023 to 17.12% in FYE 2024. The decrease in PBT was mainly derived from higher finance costs (mainly arising from higher term loan interests from new term loan drawdown and further drawdown for existing term loans, as explained in Section 11.2.2 (h) of this Prospectus), higher administrative expenses (mainly arising from higher staff costs, as explained in Section 11.2.2 (f) of this Prospectus) and lower other income (mainly arising from absence of reversals on impairment losses of right-of-use assets and property, plant and equipment, as explained in Section 11.2.2 (d) of this Prospectus). The decrease in PBT margin was derived from

11. FINANCIAL INFORMATION (Cont'd)

the lower GP margin, as explained in Section 11.2.2 (c) of this Prospectus, lower other income and higher finance costs reported in FYE 2024.

As such, our PAT decreased from RM6.86 million in FYE 2023 to RM5.65 million in FYE 2024 and PAT margin also decreased from 18.46% in FYE 2023 to 12.85% in FYE 2024, in tandem with the lower PBT and PBT margin in FYE 2024.

Our income tax expense decreased by RM0.26 million or 12.21%, to RM1.87 million in FYE 2024 (FYE 2023: RM2.13 million), mainly due to lower PBT recorded in FYE 2024.

Our effective tax rate of 24.92% in FYE 2024 (FYE 2023: 23.72%) was higher than the statutory tax rate of 24.00%, mainly due under provision of current tax expense in the previous financial year of RM0.36 million.

Comparison between FYE 2024 and FYE 2025

We recorded a decrease in PBT of RM1.56 million or 20.74% from RM7.52 million in FYE 2024 to RM5.96 million in FYE 2025. The decrease in PBT was mainly derived from lower GP, higher finance costs (mainly arising from higher term loan interests) and higher administrative expenses (mainly arising from higher directors' remuneration). Accordingly, our PBT margin decreased from 17.12% in FYE 2024 to 15.41% in FYE 2025.

Our PAT decreased from RM5.65 million in FYE 2024 to RM4.48 million in FYE 2025, mainly due to lower PBT. Our PAT margin decreased from 12.85% in FYE 2024 to 11.58% in FYE 2025, in tandem with the lower PBT margin in FYE 2025.

Our income tax expense decreased by RM0.39 million or 20.86%, to RM1.48 million in FYE 2025 (FYE 2024: RM1.87 million), mainly due to lower PBT recorded in FYE 2025.

Our effective tax rate of 24.83% in FYE 2025 was higher than the statutory tax rate of 24.00%, mainly due to add-back of non-deductible expenses, including depreciation of property, plant and equipment, depreciation of investment properties and depreciation of right-of-use assets and under provision of income tax expenses for FYE 2024.

11.2.3 Review of financial position**(a) Assets**

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	17,212	26,580	38,948	14,021
Investment properties	13,645	13,478	11,333	42,283
Right-of-use assets	-	74	287	275
Other investment	40	40	40	40

11. FINANCIAL INFORMATION (Cont'd)

		Audited			
		As at 31 December			
		2022	2023	2024	2025
		RM'000	RM'000	RM'000	RM'000
Total assets	non-current	30,897	40,172	50,608	56,619
Current assets					
Inventories		5,115	9,012	8,396	9,096
Trade receivables		6,751	8,133	8,345	7,201
Other receivables, deposits and prepayments		426	173	1,045	2,608
Amount owing by a director		-	-	*	-
Current tax assets		9	346	667	523
Cash and bank balances		6,985	3,102	5,885	8,210
Total current assets		19,286	20,766	24,338	27,638
TOTAL ASSETS		50,183	60,938	74,946	84,257

Note:

* Less than RM500.

Comparison between 31 December 2022 and 31 December 2023

Our total assets increased by RM10.76 million or 21.44%, from RM50.18 million as at 31 December 2022 to RM60.94 million as at 31 December 2023. The increase was attributable to the increase in non-current assets of RM9.27 million and increase in current assets of RM1.48 million as at 31 December 2023.

Non-current assets

Our non-current assets increased by RM9.27 million or 30.00%, attributable to the increase in property, plant and equipment of RM9.37 million, mainly arising from the additions of property, plant and equipment of RM9.41 million (mainly comprising progress payments to developers through our financial institutions for the commencement of earthworks for Lot 168659 and Lot 168658, and completion of drainage and sewerage piping for Lot 86498, which collectively amounted to RM8.94 million, properties work-in-progress of RM0.18 million for our Group's 2 parcels of freehold land located at Lot 93505 and Lot 93506, and 1 unit of motor vehicle of RM0.14 million). The aforementioned increase was partially offset by the depreciation of property, plant and equipment of RM0.26 million.

The increase in non-current assets was partially offset by the decrease in investment properties as a result of depreciation of investment properties of RM0.17 million in FYE 2023.

11. FINANCIAL INFORMATION (Cont'd)**Current assets**

Our current assets increased by RM1.48 million or 7.67%, mainly due to the following:

- (i) increase in inventories of RM3.89 million, mainly attributable to higher inventory levels of specialty industrial chemical products towards the end of FYE 2023 for the anticipated increase in sales orders as Malaysia's construction poised for growth in 2024; and
- (ii) increase in trade receivables of RM1.38 million, mainly attributable to higher invoices issued towards the last quarter of FYE 2023 and the reversal of impairment losses on trade receivables.

The aforementioned increase in current assets was partially offset by the following:

- (i) decrease in other receivables, deposits and prepayments of RM0.26 million, due to decrease in prepayment of RM0.25 million for payments made for purchases of specialty industrial chemical products; and
- (ii) decrease in cash and bank balances of RM3.89 million mainly attributable to the payment on our Group's operating expenditure and purchase of property, plant and equipment in FYE 2023.

Comparison between 31 December 2023 and 31 December 2024

Our total assets increased by RM14.01 million or 22.99%, from RM60.94 million as at 31 December 2023 to RM74.95 million as at 31 December 2024. The increase was attributable to the increase in non-current assets of RM10.44 million and increase in current assets of RM3.57 million as at 31 December 2024.

Non-current assets

Our non-current assets increased by RM10.44 million or 25.99%, attributable to the increase in property, plant and equipment of RM12.37 million, mainly arising from the additions of property, plant and equipment of RM12.62 million (mainly comprising progress payments to developers through our financial institutions for the completion of earthworks for Lot 168659 and Lot 168658, as well as handover and completion of infrastructure like water, telecommunications, and main roads for Lot 86498, which collectively amounted to RM12.53 million). The aforementioned increase was partially offset by the depreciation of property, plant and equipment of RM0.25 million.

The increase in non-current assets was partially offset by the decrease in investment properties of RM2.15 million, which was attributable to 2 credit notes with a collective amount of RM2.00 million received due to non-conformant works carried out with respect to Property No. 8, in relation to the defects on the loading bay, concrete roadway and lift foundation, and depreciation of investment properties of RM0.14 million.

Current assets

Our current assets increased by RM3.57 million or 17.19%, mainly due to the following:

- (i) increase in cash and bank balances of RM2.79 million mainly attributable to the internally generated fund, i.e. improved collections from customers;

11. FINANCIAL INFORMATION (Cont'd)

- (ii) increase in other receivables, deposits and prepayments of RM0.88 million, mainly due to increase in prepayment of RM0.84 million for listing expenses in relation to the IPO;
- (iii) increase in current tax assets of RM0.32 million mainly attributable to the monthly tax instalments paid in FYE 2024; and
- (iv) increase in trade receivables of RM0.22 million, mainly attributable to higher invoices issued towards the last quarter of FYE 2024 and the reversal of impairment losses on trade receivables.

The aforementioned increase in current assets was partially offset by a decrease in inventories of RM0.61 million, mainly attributable to the increase in sales orders at a faster rate compared to our purchase of specialty industrial chemical products in FYE 2024.

Comparison between 31 December 2024 and 31 December 2025

Our total assets increased by RM9.31 million or 12.42%, from RM74.95 million as at 31 December 2024 to RM84.26 million as at 31 December 2025. The increase was attributable to the increase in non-current assets of RM6.01 million and current assets of RM3.30 million as at 31 December 2025.

Non-current assets

Our non-current assets increased by RM6.01 million or 11.88%, mainly attributable to the increase in investment properties of RM30.95 million. This increase was mainly due to reclassification of the total carrying amount of RM24.71 million for Lot 86498, Lot 168659 and Lot 168658 from property, plant and equipment to investment properties, arising from the change in intended use of these properties to investment holdings during FYE 2025. Further, the increase in investment properties was also driven by the additional RM6.37 million for the progress payments to developers through our financial institutions in relations to the completion of main sewerage reticulation, external drains, external telecommunications and water reticulation for Lot 168659 and Lot 168658. The increase in investment properties was partially offset by the depreciation expenses of RM0.13 million in FYE 2025.

Current assets

Our current assets increased by RM3.30 million or 13.56%, mainly due to the following:

- (i) increase in cash and bank balances of RM2.32 million mainly attributable to the internally generated fund, whereby our Group manages the timing of our payment to suppliers in order to optimise the credit terms granted;
- (ii) increase in other receivables, deposits and prepayments of RM1.56 million, mainly due to increase in prepayment for payments made for purchases of specialty industrial chemical products and professional fees in relation to our IPO; and
- (iii) increase in inventories of RM0.70 million, mainly attributable to higher inventory levels of specialty industrial chemical products towards the end of FYE 2025.

11. FINANCIAL INFORMATION (Cont'd)

The increase in current assets was partially offset by the decrease in trade receivables of RM1.15 million which was in line with the decrease in revenue in FYE 2025.

(b) Liabilities

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Lease liabilities	78	-	86	87
Hire purchase payables	82	120	80	38
Term loans	18,315	20,181	33,325	36,464
Deferred tax liabilities	110	198	114	127
Total non-current liabilities	18,585	20,499	33,605	36,716
Current liabilities				
Trade payables	3,212	5,012	3,625	4,226
Other payables and accruals	2,381	2,692	1,009	2,282
Amount owing to directors	819	831	216	-
Lease liabilities	109	78	207	194
Hire purchase payables	53	54	40	42
Term loans	711	746	1,439	1,662
Current tax liabilities	1,448	807	243	102
Total current liabilities	8,733	10,220	6,779	8,508
TOTAL LIABILITIES	27,318	30,719	40,384	45,224

Comparison between 31 December 2022 and 31 December 2023

Our total liabilities increased by RM3.40 million or 12.45%, from RM27.32 million as at 31 December 2022 to RM30.72 million as at 31 December 2023. The increase was attributable to the increase in current liabilities of RM1.49 million and increase in non-current liabilities of RM1.91 million as at 31 December 2023.

Non-current liabilities

Our non-current liabilities increased by RM1.91 million or 10.27%, mainly due to increase in non-current term loans of RM1.86 million, attributable to drawdown of 2 term loans of RM2.51 million, relating to a new term loan to part finance the purchase of Lot 168659 and further drawdown for an existing term loan to part finance the purchase of Lot 86498.

Current liabilities

Our current liabilities increased by RM1.49 million or 17.07%, mainly due to the following:

- (i) increase in trade payables of RM1.80 million, attributable to higher amounts owing to suppliers for purchases of specialty industrial chemical products

11. FINANCIAL INFORMATION (Cont'd)

towards the end of FYE 2023 for the anticipated increase in sales orders as Malaysia's construction poised for growth in 2024; and

- (ii) increase in other payables and accruals of RM0.31 million, mainly attributable to advance deposits received from customers of RM0.22 million as at 31 December 2023.

The aforementioned increase in current liabilities was partially offset by the decrease in current tax liabilities of RM0.64 million attributable to higher monthly income tax instalments made in FYE 2023.

Comparison between 31 December 2023 and 31 December 2024

Our total liabilities increased by RM9.66 million or 31.45%, from RM30.72 million as at 31 December 2023 to RM40.38 million as at 31 December 2024. The increase was attributable to the increase in non-current liabilities of RM13.11 million and this was offset by the decrease in current liabilities of RM3.44 million as at 31 December 2024.

Non-current liabilities

Our non-current liabilities increased by RM13.11 million or 63.95%, mainly due to increase in non-current term loans of RM13.15 million, attributable to drawdown of 5 term loans of RM14.53 million, relating to new term loan to part finance the purchase of Lot 168658, and further drawdown for existing term loans to part finance the purchase of Lot 86498 and Lot 168659 as well as for working capital purposes.

Current liabilities

Our current liabilities decreased by RM3.44 million or 33.66%, mainly due to the following:

- (i) decrease in trade payables of RM1.38 million, attributable to improved payments to suppliers;
- (ii) decrease in other payables and accruals of RM1.68 million, mainly attributable to lower other payables resulting from 2 credit notes with a collective amount of RM2.00 million received due to non-conformant works carried out with respect to Property No. 8, in relation to the defects on the loading bay, concrete roadway and lift foundation. The decrease in other payables was partially offset by the increase in advances received from customers of RM0.27 million;
- (iii) decrease in amount owing to directors of RM0.61 million attributable to part settlements of advances from directors by way of capitalisation an amount of RM589,894 via issuance of 589,894 new ordinary shares at RM1 each in Novatex Product. The remaining RM0.02 million was paid via cash by Eckem JB; and
- (iv) decrease in current tax liabilities of RM0.57 million attributable to higher monthly income tax instalments made in FYE 2024.

The decrease in current liabilities was partially offset by the increase of current portion of term loans of RM0.69 million due to drawdown of 5 term loans of RM14.53 million, relating to new term loan to part finance the purchase of Lot 168658, and further drawdown for existing term loans to part finance the purchase of Lot 86498 and Lot 168659 as well as for working capital purposes.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between 31 December 2024 and 31 December 2025**

Our total liabilities increased by RM4.84 million or 11.99%, from RM40.38 million as at 31 December 2024 to RM45.22 million as at 31 December 2025. The increase was attributable to the increase in non-current liabilities of RM3.11 million as at 31 December 2025 and current liabilities of RM1.73 million as at 31 December 2025.

Non-current liabilities

Our non-current liabilities increased by RM3.11 million or 9.25%, mainly due to increase in non-current term loans of RM3.13 million, attributable to further drawdown of existing term loans of RM4.78 million to part finance the purchase of Lot 168659 and Lot 168658 in FYE 2025. The increase in non-current term loans was partially offset by the repayments made during FYE 2025.

Current liabilities

Our current liabilities increased by RM1.73 million or 25.52%, due to the following:

- (i) increase in other payables and accruals of RM1.27 million, mainly due to RM1.59 million in progress payments for water reticulation of Lot 168659 and Lot 168658 completed by developers. These payments are temporarily recognised as other payables while awaiting release of additional term loans from financial institutions. The additional term loans were released in January 2026. The increase in other payables and accruals was partially offset by the sale of rubber products in FYE 2025 for the advance payments initially received in FYE 2024;
- (ii) increase in trade payables of RM0.60 million, due to amounts owing to suppliers for purchase of specialty industrial chemical products towards the end of FYE 2025 as our Group manages the timing of our payment to suppliers in order to optimise the credit terms granted; and
- (iii) increase in current term loans of RM0.22 million, attributable to current portion of term loan in relation to the further drawdown of existing term loans of RM4.78 million to part finance the purchase of Lot 168659 and Lot 168658 in FYE 2025.

The increase in current liabilities was partially offset by the following:

- (i) absence of amount owing to directors of RM0.22 million that was recorded as of 31 December 2024, due to repayments made during FYE 2025; and
- (ii) decrease in current tax liabilities of RM0.14 million, mainly due to lower income tax expense for FYE 2025 compared to FYE 2024.

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11. FINANCIAL INFORMATION (Cont'd)**11.2.4 Impact of foreign exchange rates, interest rates and/or commodity prices****(a) Impact of foreign exchange rates**

Our revenue denominated in local and foreign currencies are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Revenue denominated in:								
RM	42,360	98.74	36,551	98.39	41,692	94.90	36,361	94.05
USD	85	0.20	424	1.14	2,011	4.58	2,152	5.57
SGD	456	1.06	176	0.47	229	0.52	149	0.38
Total	42,901	100.00	37,151	100.00	43,932	100.00	38,662	100.00

Our purchases denominated in local and foreign currencies are as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases denominated in:								
RM	28,781	91.64	21,158	87.06	26,941	87.83	22,601	84.80
USD	1,841	5.86	2,676	11.01	3,127	10.19	3,693	13.86
EUR	786	2.50	470	1.93	582	1.90	357	1.34
SGD	-	-	-	-	23	0.08	-	-
Total	31,408	100.00	24,304	100.00	30,673	100.00	26,651	100.00

Our revenue was primarily denominated in RM, which accounted for 98.74%, 98.39%, 94.90% and 94.05% of our total revenue for the Financial Periods Under Review. While the remaining revenue was denominated in USD and SGD contributed 1.26%, 1.61%, 5.10% and 5.95% of our total revenue for the Financial Periods Under Review.

Our purchase was primarily denominated in RM, which accounted for 91.64%, 87.06%, 87.83% and 84.80% of our total purchases for the Financial Periods Under Review. While the remaining purchases were denominated in USD, EUR and SGD contributed 8.36%, 12.94%, 12.17% and 15.20% of our total purchases for the Financial Periods Under Review.

As such, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuations in foreign currency rates may have an adverse impact on our financial performance. A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower purchases in RM after conversion.

11. FINANCIAL INFORMATION (Cont'd)

In order to mitigate the risk, we will continuously monitor the foreign currency fluctuations. We have also secured a forward exchange contract of RM1.00 million from Hong Leong Bank Berhad, which will be used to hedge our forward exchange exposure when applicable. As at the LPD, our Group has not utilised any amount from the contract for the hedging purposes. However, despite our efforts to minimise the foreign currency risk, there can be no assurance that any future significant fluctuations in foreign currency will not have a material adverse impact on the financial performance of our Group.

(b) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks.

Our interest coverage ratio was between 5.08 times and 12.82 times for the Financial Periods Under Review which indicates that we have been able to generate sufficient profits before interest and tax to meet our interest bearing obligations.

Our financial results for the Financial Periods Under Review were not materially affected by the fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowings and finance costs for our working capital, which may have an adverse effect on our performance.

(c) Impact of commodity prices

Most of our products and substantially all of our raw materials (additives, resins, pigments and fillers as well as latex) are commodities whose prices fluctuate based on market condition. Accordingly, our product margins and profitability fluctuate in accordance with commodity price movement. To manage the risk of commodity price fluctuation, we make several controls and management, amongst others, inventory management such as purchase more specialty industrial chemical products as and when we see raw material price is on upward trend; daily price monitoring; and passing increased costs to customers to dampen the influence of such volatility.

11.2.5 Impact of inflation

During the Financial Periods Under Review, our financial performance was not materially affected by inflation. However, there is no assurance that our financial performance will not be adversely affected by inflation moving forward. Any significant increase in our cost of sales in the future may adversely affect our operations and financial performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

11.2.6 Impact of Government, economic, fiscal or monetary policies

There were no Government, economic, fiscal or monetary policies or factors which have materially affected our financial performance during the Financial Periods Under Review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in Government, economic, fiscal or monetary policies or factors moving forward. Risks relating to Government, economic, fiscal or monetary policies or factors which may materially affect our operations and financial performance are set out in Section 8 of this Prospectus.

11. FINANCIAL INFORMATION (Cont'd)**11.3 LIQUIDITY AND CAPITAL RESOURCES****11.3.1 Working capital**

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, hire purchases, overdraft and forward exchange contract. As at the LPD, our Group has banking facilities of RM58.94 million (excluding lease liabilities and hire purchases) of which RM15.77 million has yet to be utilised.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

- (a) our Group generated positive cash flow from operating activities for FYE 2025;
- (b) our cash and bank balances of approximately RM7.12 million as at the LPD;
- (c) our expected future cash flows from operations; and
- (d) our pro forma gearing level of 0.76 times, based on our pro forma statements of financial position as at 31 December 2025 after the adjustments to drawdown of term loans, Acquisitions, Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

11.3.2 Review of cash flows

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	6,410	3,993	5,005	5,895
Net cash for investing activities	(3,028)	(6,801)	(79)	(19)
Net cash for financing activities	(1,648)	(1,084)	(2,028)	(3,415)
Net increase/(decrease) in cash and bank balances	1,734	(3,892)	2,898	2,461
Effects of foreign exchange translation	28	9	(115)	(136)
Cash and bank balances at the beginning of the financial year	5,223	6,985	3,102	5,885
Cash and bank balances at the end of the financial year	6,985	3,102	5,885	8,210

FYE 2022**Net cash from operating activities**

For FYE 2022, our Group recorded net cash inflow from operating activities of RM6.41 million. We collected RM59.50 million from our customers and received rental income of RM0.23 million. However, the above was partially offset by cash payments made amounting to RM53.32 million for the following:

11. FINANCIAL INFORMATION (Cont'd)

- (i) RM50.02 million paid to our suppliers;
- (ii) RM1.71 million paid for our operating expenses (such as staff salaries and directors' remuneration); and
- (iii) payment of income tax of RM1.59 million.

Net cash for investing activities

For FYE 2022, we recorded a net cash outflow of RM3.03 million for our investing activities, attributable to cash payment of RM3.03 million for acquisition of property, plant and equipment amounting to RM5.04 million (which mainly comprises progress payments of 3 parcels of freehold land located at Lot 86498, Lot 93505 and Lot 93506 as well as plant and machinery for the Novatex Product's factory located at Property No. 13) and acquisition of investment property amounting to RM2.57 million for Property No. 8. The remaining balance of RM4.58 million was financed by term loans.

Net cash for financing activities

For FYE 2022, we recorded a net cash outflow of RM1.65 million for our financing activities, mainly due to the following:

- (i) repayment of term loans, hire purchase payables and lease liabilities, collectively of RM1.03 million; and
- (ii) payment of interest of RM0.56 million, comprising interest charged on term loans, hire purchase payables and lease liabilities.

FYE 2023**Net cash from operating activities**

For FYE 2023, our Group recorded net cash inflow from operating activities of RM3.99 million. We collected RM41.39 million from our customers and received rental income of RM0.88 million. However, the above was partially offset by cash payments made amounting to RM38.28 million for the following:

- (i) RM33.23 million paid to our suppliers;
- (ii) RM2.03 million paid for our operating expenses (such as staff salaries and directors' remuneration); and
- (iii) payment of income tax of RM3.02 million.

Net cash for investing activities

For FYE 2023, we recorded a net cash outflow of RM6.80 million for our investing activities, attributable to cash payment of RM6.80 million for acquisition of property, plant and equipment amounting to RM9.41 million (mainly comprising progress payments to developers through our financial institutions for the commencement of earthworks for Lot 168659 and Lot 168658, and completion of drainage and sewerage piping for Lot 86498, which collectively amounted to RM8.94 million, properties work-in-progress of RM0.18 million for our Group's 2 parcels of freehold land located at Lot 93505 and Lot 93506, and 1 unit of motor vehicle of RM0.14 million). The remaining balance of RM2.61 million was financed by term loans (RM2.51 million) and hire purchases (RM0.10 million).

11. FINANCIAL INFORMATION (Cont'd)**Net cash for financing activities**

For FYE 2023, we recorded a net cash outflow of RM1.08 million for our financing activities, mainly due to the following:

- (i) repayment of term loans, hire purchase payables and lease liabilities, collectively of RM0.78 million; and
- (ii) payment of interest of RM0.82 million, comprising interest charged on term loans, hire purchase payables and lease liabilities.

The cash outflow was partially offset by proceeds from issuance of ordinary shares of RM0.50 million.

FYE 2024**Net cash from operating activities**

For FYE 2024, our Group recorded net cash inflow from operating activities of RM5.01 million. We collected RM48.23 million from our customers and received rental income of RM0.88 million. However, the above was partially offset by cash payments made amounting to RM44.10 million for the following:

- (i) RM38.64 million paid to our suppliers;
- (ii) RM2.62 million paid for our operating expenses (such as staff salaries and directors' remuneration); and
- (iii) payment of income tax of RM2.84 million.

Net cash for investing activities

For FYE 2024, we recorded a net cash outflow of RM0.08 million for our investing activities, attributable to cash payment of RM0.09 million mainly for factory equipment as well as plant and machinery for the Novatex Product's factory located at Property No. 13, partially offset by the proceed of RM0.01 million from disposal of 1 unit of motor vehicle.

Net cash for financing activities

For FYE 2024, we recorded a net cash outflow of RM2.03 million for our financing activities, mainly due to the following:

- (i) payment of dividend of RM1.85 million in respect of FYE 2024;
- (ii) payment of interest of RM1.14 million, comprising interest charged on term loans, hire purchase payables and lease liabilities; and
- (iii) repayment of term loans, hire purchase payables and lease liabilities, collectively of RM1.02 million.

The cash outflow was partially offset by the proceeds of RM2.00 million from drawdown and reinstatement of 2 existing term loans via top up the current balance amounts, for working capital purposes.

11. FINANCIAL INFORMATION (Cont'd)**FYE 2025****Net cash from operating activities**

For FYE 2025, our Group recorded net cash inflow of RM5.90 million from operating activities. We collected RM43.33 million from our customers and received rental income of RM0.81 million. However, the above was partially offset by cash payments made amounting to RM38.24 million for the following:

- (i) RM34.30 million paid to our suppliers;
- (ii) RM2.48 million paid for our operating expenses (such as staff salaries and directors' remuneration); and
- (iii) payment of income tax of RM1.46 million.

Net cash for investing activities

For FYE 2025, we recorded a net cash outflow of RM0.02 million for our investing activities, attributable to cash payment for additional property, plant and equipment.

Net cash for financing activities

For FYE 2025, we recorded a net cash outflow of RM3.42 million from our financing activities, mainly due to the following:

- (i) repayment of term loans, hire purchase payables and lease liabilities, collectively of RM1.69 million;
- (ii) payment of interest of RM1.46 million, comprising interest charged on term loans, hire purchase payables and lease liabilities; and
- (iii) repayment of advances to directors (i.e. Tan Kwang Wah and Sam Lai Yoong) of RM0.22 million.

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11. FINANCIAL INFORMATION (Cont'd)

11.3.3 Borrowings

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings (excluding lease liabilities) as at 31 December 2025 stood at RM38.21 million, details of which are set out below:

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 31 December 2025 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Term loans	To finance working capital, the purchase of property, plant and equipment as well as investment properties	(i) Jointly and severally guaranteed by our Managing Director, Tan Kwang Wah, Executive Director, Tan Khai Jeik as well as our subsidiaries' directors, Sam Lai Yoong and Tan Khai Wen; and (ii) A first legal charge over properties registered under name of Eckem and Entire Concept.	20 to 25 years	4.13 to 4.41	1,662
Hire purchase	To finance the purchase of motor vehicles	Secured by personal guarantee by our Managing Director, Tan Kwang Wah.	5 years	4.09 to 4.71	42
Sub-total					1,704

11. FINANCIAL INFORMATION (Cont'd)

Type of borrowings	Purpose	Security	Tenure	Effective interest rate %	As at 31 December 2025 RM'000
Interest bearing long-term borrowings, payable after 1 year:					
Term loans	To finance working capital, the purchase of property, plant and equipment as well as investment properties	(i) Jointly and severally guaranteed by our Managing Director, Tan Kwang Wah, our Executive Director, Tan Khai Jeik as well as our subsidiaries directors' Sam Lai Yoong and Tan Khai Wen; and (ii) A first legal charge over properties registered under name of Eckem and Entire Concept.	20 to 25 years	4.13 to 4.41	36,464
Hire purchase	To finance the purchase of motor vehicles	Secured by personal guarantee by our Managing Director, Tan Kwang Wah	5 years	4.09 to 4.71	38
				Sub-total	36,502
				Total borrowings	38,206

Gearing (times)

After the adjustments for drawdown of term loans and Acquisitions, but before Public Issue and utilisation of proceeds ⁽¹⁾	1.02
After the adjustments for drawdown of term loans, Acquisitions, Public Issue and utilisation of proceeds ⁽²⁾	0.76

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Computed based on our pro forma total equity of RM39.03 million in the pro forma statements of financial position after the adjustments for drawdown of term loans and Acquisitions, but before Public Issue and utilisation of proceeds.
- (2) Computed based on our pro forma total equity of RM50.23 million in the pro forma statements of financial position after the adjustments for drawdown of term loans, Acquisitions, Public Issue and utilisation of proceeds.

In conjunction with the Listing, our Group has applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, will continue to guarantee the banking facilities extended to our Group.

As at the date of this Prospectus, we have received conditional approval from all of our Group's Financiers, being Alliance Islamic Bank Berhad, Ambank (M) Berhad, Hong Leong Bank Berhad and Public Bank Berhad, to release and/or discharge the personal guarantees by substituting the same with a corporate guarantee from our Company. The abovementioned Financiers have imposed conditions which include, amongst others, that the discharge is conditional upon the completion of the Listing and execution and perfection of a corporate guarantee by Eckem Holdings.

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout the Financial Periods Under Review and up to the LPD.

We do not encounter any seasonality in our borrowings trend and there is no restriction on our committed facilities.

As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

During the Financial Periods Under Review, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

11. FINANCIAL INFORMATION (Cont'd)**11.3.4 Types of financial instruments used, treasury policies and objectives**

Save as disclosed in Section 11.3.3 of this Prospectus above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used for the purchase of property, plant and equipment, investment properties and right-of-use assets as well as for working capital requirements. As at the LPD, except for hire purchase facilities which are based on fixed interest rate, the remaining our facilities with licensed financial institutions are based on BLR plus or minus a rate which varies depending on the type of facility.

11.3.5 Material capital commitments, litigations and contingent liabilities**Material capital commitments**

As at the LPD, save as disclosed below, we do not have any other material capital commitments for capital expenditure, which upon becoming enforceable, may have a material effect on our financial position other than the utilisation of the IPO proceeds.

	To be funded from our internally generated fund or borrowings	To be funded from proceeds of our Public Issue
Material capital commitments	RM'000	RM'000
Approved and contracted for:		
(a) Acquisitions of Lot 168659 and Lot 168658	(1)1,593	-
Approved but not contracted for:		
(a) Construction of new corporate office, warehouse and laboratory	(2)6,411	(2)6,000
(b) Expansion of new production line for our rubber products	-	(2)2,000
Total	8,004	8,000

Notes:

(1) As at the LPD, we have a material capital commitment of RM1.59 million for the acquisitions of Lot 168659 and Lot 168658 amounting to RM26.54 million. As at the LPD, the acquisitions of Lot 168659 and Lot 168658 are ongoing, and we have paid 94.00% or RM24.95 million of the total purchase price through the internally generated funds and bank borrowings.

(2) We expect to fund the above material commitments from the proceeds raised from our Public Issue, internally generated funds and/or bank borrowings. Please refer to Section 4.9.1 of this Prospectus for the details of the utilisation of proceeds from our Public Issue.

We expect to fund the above material commitments from the proceeds raised from our Public Issue, internally generated funds and/or bank borrowings

11. FINANCIAL INFORMATION (Cont'd)

Please refer to Section 4.9.1 of this Prospectus for the details of the utilisation of proceeds from our Public Issue.

Material litigations and contingent liabilities

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

11.4 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Financial Periods Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Trade receivables turnover (days) ⁽¹⁾	69	73	68	73
Trade payables turnover (days) ⁽²⁾	52	60	49	51
Inventory turnover (days) ⁽³⁾	49	104	101	117
Current ratio (times) ⁽⁴⁾	2.21	2.03	3.59	3.25
Gearing ratio (times) ⁽⁵⁾	0.84	0.70	1.01	0.98

Notes:

- (1) Computed based on average opening and closing trade receivables over revenue for the respective financial years, multiplied by the number of days in respective financial years:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	9,378	6,751	8,133	8,345
Closing trade receivables	6,751	8,133	8,345	7,201
Revenue	42,901	37,151	43,932	38,662
Trade receivables turnover (days)	69	73	68	73

- (2) Computed based on average opening and closing trade payables over cost of sales for the respective financial years, multiplied by the number of days in respective financial years:

11. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade payables	5,919	3,212	5,012	3,625
Closing trade payables	3,212	5,012	3,625	4,226
Cost of sales	32,061	25,107	31,852	27,921
Trade payables turnover (days)	52	60	49	51

- (3) Computed based on average opening and closing inventory over selected cost items for the respective financial years, multiplied by the number of days in respective financial years:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening inventory	3,383	5,115	9,012	8,396
Closing inventory	5,115	9,012	8,396	9,096
Selected cost items ^(a)	31,537	24,675	31,362	27,202
Inventory turnover (days)	49	104	101	117

Note:

- (a) Comprising purchase of materials, labour costs and utilities which were used for the valuation of inventories.
- (4) Computed based on current assets over current liabilities as at each financial year end.
- (5) Computed based on total interest-bearing borrowings (excluding lease liabilities) over total equity as at each financial year end.

11.4.1 Trade receivables turnover

The overall normal trade credit periods granted by our Group to our customers are between 14 and 120 days from the date of our invoices. For customer from distribution, sales and application formulation of specialty industrial chemical products segment, our Group generally grants a normal trade credit periods between 30 and 90 days from the date of our invoices. While for customers from manufacturing of rubber products business, we will commence the procurement of raw materials upon receiving the initial payment from our customers, which is typically 50.00% of the total invoice amount. Our Group will ensure receipt of full payment from customers from the manufacturing of rubber products business prior to delivery of the rubber products. For the trading of rubber products business, we will purchase the finished rubber products from our suppliers based on the purchase orders received from our customers. Our trade credit period to customers is assessed and approved on an individual customer basis taking into consideration various factors such as our relationship with customers, customers' payment history, their credit worthiness and quantum of amount owing. All of our outstanding trade receivables are closely monitored by our accounting and finance team. There were no changes to our credit policies and procedures during the Financial Periods Under Review.

11. FINANCIAL INFORMATION (Cont'd)

Our Group has outstanding trade receivables of approximately RM7.20 million as at 31 December 2025. Our trade receivables turnover periods for the Financial Periods Under Review were between 68 and 73 days, which were within our normal credit period.

Our Group's trade receivables turnover period increased from 69 days for FYE 2022 to 73 days for FYE 2023. This was contributed by the amounts owing by customers who take slight longer period to process payments.

Our Group's trade receivables turnover period decreased from 73 days for FYE 2023 to 68 days for FYE 2024. This was mainly contributed by the improved collections from customers from distribution, sales and application formulation of specialty industrial chemical products segment in FYE 2024.

Our Group's trade receivables turnover period increased from 68 days for FYE 2024 to 73 days for FYE 2025. This was contributed by the amounts owing by customers who took slightly longer period to process payments. Nonetheless, the trade receivables turnover period for FYE 2025 was within the credit periods granted to our customers.

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11. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our trade receivables as at 31 December 2025 is as follows:

	Trade receivables as at 31 December 2025		Amount collected subsequent from 1 January 2026 up to the LPD		Trade receivables net of subsequent collections	
	RM'000	Percentage of trade receivables	RM'000	Percentage collected	RM'000	Percentage of trade receivables net of subsequent collections
	(a)	(a)/total of (a)	(b)	(b)/(a)	(c) = (a)-(b)	(c)/total of (c)
Neither past due nor impaired	2,381	33.06	(2,236)	93.91	145	51.06
Past due but not impaired:						
• 1 to 30 days	1,996	27.72	(1,941)	97.24	55	19.37
• 31 to 60 days	1,925	26.73	(1,886)	97.97	39	13.73
• 61 to 90 days	771	10.71	(771)	100.00	-	-
• More than 90 days	128	1.78	(83)	64.84	45	15.84
	4,820	66.94	(4,681)	97.12	139	48.94
Total	7,201	100.00	(6,917)	96.06	284	100.00

As at the LPD, we have collected RM6.92 million, representing 96.06% of our trade receivables as at 31 December 2025.

Our management closely monitors the recoverability of trade receivables on a regular basis, and, when appropriate, provides for specific impairment of these trade receivables. Our Board is of the view that the remaining trade receivables are recoverable and no further provision for impairment is required after taking into consideration our efforts to improve collection with various credit control measures including closely monitoring the outstanding balances to reduce the potential exposure on credit risk.

11. FINANCIAL INFORMATION (Cont'd)**11.4.2 Trade payables turnover**

The normal credit periods granted by our suppliers to our Group are between 30 and 120 days from the date of invoice from suppliers.

Our Group has outstanding trade payables of approximately RM4.23 million as at 31 December 2025. Our trade payables turnover periods for the Financial Periods Under Review were between 49 days and 60 days, which were within the normal credit period granted by our suppliers.

In FYE 2023, our trade payables turnover period increased from 52 days for FYE 2022 to 60 days as our Group made purchases of specialty industrial chemical products towards the end of FYE 2023. Our Group has not encountered any issue with our suppliers notwithstanding the slower payments.

In FYE 2024, our trade payables turnover period decreased from 60 days for FYE 2023 to 49 days. This was attributable to improved payments to suppliers in FYE 2024.

Our Group's trade payables turnover period increased from 49 days for FYE 2024 to 51 days for FYE 2025, attributable to higher amounts owing to suppliers for purchase of specialty industrial chemical products towards the last quarter of FYE 2025 as our Group manages the timing of our payment to suppliers in order to optimise the credit terms granted.

The ageing analysis of our trade payables as at 31 December 2025 is as follows:

	Trade payables as at 31 December 2025		Amount paid subsequent from 1 January 2026 up to the LPD		Trade payables net of subsequent payment	
	RM'000	Percentage of trade payables	RM'000	Percentage paid	RM'000	Percentage of trade payables net of subsequent payments
	(a)	(a)/total of (a)	(b)	(b)/(a)	(c) = (a)-(b)	(c)/total of (c)
Neither past due	2,600	61.52	(2,600)	100.00	-	-
Past due:						
• 1 to 30 days	886	20.97	(886)	100.00	-	-
• 31 to 60 days	539	12.75	(517)	95.92	22	100.00
• 61 to 90 days	86	2.04	(86)	100.00	-	-
• More than 90 days	115	2.72	(115)	100.00	-	-

11. FINANCIAL INFORMATION (Cont'd)

	Trade payables as at 31 December 2025		Amount paid subsequent from 1 January 2026 up to the LPD		Trade payables net of subsequent payment	
	RM'000	Percentage of trade payables	RM'000	Percentage paid	RM'000	Percentage of trade payables net of subsequent payments
	(a)	(a)/total of (a)	(b)	(b)/(a)	(c) = (a)-(b)	(c)/total of (c)
	1,626	38.48	(1,604)	98.65	22	100.00
Total	4,226	100.00	(4,204)	99.48	22	100.00

As at the LPD, RM4.20 million or 99.48% of our total net trade payables outstanding as at 31 December 2025 has been paid.

As at the LPD, there are no disputes in respect of any trade payables and our Board confirms that there has been no legal action initiated by our suppliers to demand for payment from us in the past and present.

11.4.3 Inventory turnover

Our inventories mainly consist of additives, resins, pigments and fillers as well as latex.

Our Group's inventory turnover varied for the Financial Periods Under Review according to our sales orders and productions.

For FYE 2023, the inventory turnover period increased to 104 days due to higher level of raw materials and finished goods of specialty industrial chemical products towards the end of FYE 2023. Higher level of raw materials and finished goods was held owing to meet outstanding sales orders and the anticipated increase in sales orders as Malaysia's construction poised for growth in 2024.

For FYE 2024, the inventory turnover period decreased to 101 days due to the increase in sales orders at a faster rate compared to our purchase of specialty industrial chemical products in FYE 2024.

For FYE 2025, the inventory turnover period increased to 117 days due to lower sales in FYE 2025 and our Group purchased more specialty industrial chemical products towards the last quarter of FYE 2025.

We conduct monthly meeting to review our inventory level. Approval is required from authorised personnel at management level for replenishment of inventories.

11. FINANCIAL INFORMATION (Cont'd)

Our Group practices weighted average basis in computing the cost of inventories and finished goods. The cost of inventories include invoiced value of goods purchased and expenditure incurred in acquiring inventories. The cost of finished goods comprises raw materials, production labour and an appropriate proportion of production overheads (i.e. utilities). During the Financial Periods Under Review, our Group had written down the inventories of RM0.03 million, RM0.02 million, RM nil and RM0.05 million attributable to obsolete and defect products.

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11. FINANCIAL INFORMATION (Cont'd)**11.4.4 Current ratio**

Our current ratio throughout the Financial Periods Under Review is as follows:

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current assets	19,286	20,766	24,338	27,638
Current liabilities	8,733	10,220	6,779	8,508
Current ratio (times)	2.21	2.03	3.59	3.25

Our current ratio ranged between 2.03 times and 3.59 times throughout the Financial Periods Under Review. This indicates that our Group is capable of meeting our current obligations as our current assets, which can be readily converted to cash, together with our cash balances in the bank are sufficient to meet immediate current liabilities.

Our current ratio decreased from 2.21 times as at 31 December 2022 to 2.03 times as at 31 December 2023 mainly due to increase in trade payables of RM1.80 million, attributable to higher amounts owing to suppliers for purchase of specialty industrial chemical products towards the end of FYE 2023, coupled with the decrease in cash and bank balances of RM3.89 million for the payment on our Group's operating expenditure and purchase of property, plant and equipment in FYE 2023.

Our current ratio increased from 2.03 times as at 31 December 2023 to 3.59 times as at 31 December 2024 mainly due to increase in cash and bank balance of RM2.78 million from the internally generated fund and drawdown and reinstatement of term loans of RM2.00 million, decrease in trade payables of RM1.38 million from timely payments made to suppliers, and decrease in other payables and accruals of RM1.68 million mainly attributable to lower other payables resulting from revision in contractor's invoice, as explained in Section 11.2.3 (b) of this Prospectus.

Our current ratio decreased from 3.59 times as at 31 December 2024 to 3.25 times as at 31 December 2025, mainly due to the increase in current liabilities of 25.52% as at 31 December 2025. The increase in current liabilities was mainly due to the increase in other payables and accruals of RM1.27 million, mainly arising from RM1.59 million in progress payments for water reticulation of Lot 168659 and Lot 168658 completed by developers. These payments are temporarily recognised as other payables while awaiting release of additional term loans from financial institutions. The decrease in current ratio was cushioned by the increase in cash and bank balances of RM2.32 million, mainly arising from the internally generated fund, and increase in other receivables, deposits and prepayments of RM1.56 million, mainly arising from the increase in prepayment for payments made for purchases of specialty industrial chemical products and professional fees in relation to our IPO.

11. FINANCIAL INFORMATION (Cont'd)**11.4.5 Gearing ratio**

Our gearing ratio throughout the Financial Periods Under Review is as follows:

	Audited			
	As at 31 December			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Term loans	19,026	20,927	34,764	38,126
Hire purchases	135	174	120	80
Total borrowings	19,161	21,101	34,884	38,206
Total equity	22,865	30,219	34,562	39,033
Gearing ratio (times)	0.84	0.70	1.01	0.98

Our gearing ratio ranged between 0.70 times and 1.01 times throughout the Financial Periods Under Review.

Our Group's gearing ratio decreased from 0.84 times as at 31 December 2022 to 0.70 times as at 31 December 2023. This was attributable to the increase in total equity of RM7.35 million mainly driven by the profits generated in FYE 2023, despite the increase in our Group's borrowings of RM1.94 million resulting from drawdown of 2 term loans of RM2.51 million, relating to the new term loan to part finance the purchase of Lot 168659 and further drawdown for an existing term loan to part finance the purchase of Lot 86498.

Our Group's gearing ratio increased from 0.70 times as at 31 December 2023 to 1.01 times as at 31 December 2024. This was attributable to increase in total borrowings of RM13.78 million resulting from drawdown of 5 term loans of RM14.53 million, relating to new term loan to part finance the purchase of Lot 168658, and further drawdown for existing term loans to part finance the purchase of Lot 86498 and Lot 168659 as well as for working capital purposes. The increase in gearing ratio was cushioned by an increase in total equity mainly from retained profit as at 31 December 2024.

Our Group's gearing ratio decreased from 1.01 times as at 31 December 2024 to 0.98 times as at 31 December 2025. This was mainly attributable to the increase in total equity of RM4.47 million, driven by the profits generated in FYE 2025.

11.5 TREND INFORMATION

Based on our track record for the Financial Periods Under Review, the following trends may continue to affect our business:

- (a) during the Financial Periods Under Review, more than 90.00% of our revenue was derived from the distribution, sales and application formulation of specialty industrial chemical products segment. We expect this segment to continue contributing significantly to our revenue in the future; and
- (b) the majority of our revenue was derived locally, and we expect this trend to continue. Nevertheless, we may generate revenue from outside Malaysia should the opportunity arise.

11. FINANCIAL INFORMATION (Cont'd)

As at the LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 6.5.10, 11.2.4 and 11.8 of this Prospectus;
- (ii) material commitments for capital expenditure save as disclosed in Section 11.3.5 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 6.5.10 and 8 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 6.5.10, 11.2.4 and 11.8 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 6.5.10, 11.2.4 and 11.8 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given the positive outlook of the specialty industrial chemicals and rubber products industries in Malaysia as set out in the IMR Report in Section 7 of this Prospectus, our Group's competitive strengths set out in Section 6.5.9 of this Prospectus and our Group's intention to implement the business strategies as set out in Section 6.6 of this Prospectus.

11.6 ORDER BOOKS

Due to the nature of our business, we do not maintain an order book. Our revenue is generated as and when we deliver our products based on purchase orders received.

11.7 DIVIDENDS

Our Group presently does not have any formal dividend policy. As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require our financiers' consent (if any) as set out in the respective facility agreements to pay dividends to us. Save for compliance with the solvency requirement under the Act which is applicable to all Malaysian companies, there are no specific legal, financial, or economic restrictions on our existing subsidiaries to declare and pay dividends to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of Directors deem relevant.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial

11. FINANCIAL INFORMATION (Cont'd)

performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation other than the 2.00% dividend tax which takes effect in the 2025 assessment year on annual dividend income exceeding RM100,000 received by individual shareholders, and entities, including companies, with trading of shares as their principal activity. No withholding tax is imposed on the above transactions.

Singapore adopts the one-tier corporate tax systems, the tax paid by a Singapore tax resident company is a final tax and after-tax profits of the Singapore tax resident company can be distributed to its shareholders as tax-exempt dividends. Such dividends are exempted in the hands of all shareholders, regardless of the tax residency status of the shareholders. Singapore does not impose taxes on capital gains. There is no Singapore withholding tax on dividends paid to resident and non-resident shareholders.

During the Financial Periods Under review and up to the LPD, dividends declared and paid by our Group were as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 January 2026 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared in respect of	-	-	1,900	-	-
Dividends paid	-	-	1,850	50	-

The dividends above were funded by internally generated funds. The dividends will not affect the execution and implementation of our future plans or strategies moving forward. Together with the IPO proceeds, we believe that we have sufficient funding of cash from operations and bank borrowings for the funding requirement for our operations and our expansion plans.

As at the LPD, there is no outstanding dividend declared but remained unpaid. Our Group does not intend to declare or pay any dividend prior to our Listing.

No influence should or can be made from any of the above statements as to our actual future profitability or our ability to pay dividends in the future.

11.8 SIGNIFICANT CHANGES

Our Directors are not aware of any significant changes that has occurred which may have a material effect on our financial position and results since the date of our audited combined financial statements for FYE 2025.

11. FINANCIAL INFORMATION (Cont'd)**11.9 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness as at 31 March 2026 and on the assumption that our IPO and utilisation of proceeds from our Public Issue as set out in Section 4.9.1 of this Prospectus had occurred on 31 March 2026.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 March 2026 and is provided for illustrative purposes only.

	Unaudited	I	II
	As at 31 March 2026	After Public Issue	After (I) and utilisation of proceeds
	RM'000	RM'000	RM'000
Capitalisation			
Share capital	34,250	49,250	47,984
Total capitalisation	34,250	49,250	47,984
Indebtedness			
Current			
<u>Secured and guaranteed</u>			
- Term loans	1,677	1,677	1,500
- Hire purchase payables	39	39	39
<u>Unsecured and unguaranteed</u>			
- Lease liabilities	165	165	165
Non-current			
<u>Secured and guaranteed</u>			
- Term loans	37,732	37,732	36,459
- Hire purchase payables	31	31	31
<u>Unsecured and unguaranteed</u>			
- Lease liabilities	59	59	59
Total indebtedness	39,703	39,703	38,253
Total capitalisation and indebtedness	73,953	88,953	86,237
Gearing ratio ⁽¹⁾	1.15	0.80	0.79

Note:

- (1) Calculated based on total indebtedness (excluding lease liabilities) divided by total capitalisation.

12. ACCOUNTANTS' REPORT

Eckem Holdings Berhad
(Incorporated in Malaysia)
Registration No: 202401003252 (1549102-W)

**Accountants' Report on the
Financial Information**

12. ACCOUNTANTS' REPORT (Cont'd)



Date: 6 May 2026

The Board of Directors
Eckem Holdings Berhad
 No. 3, Jalan Anggerik Mokara 31/60,
 Seksyen 31, Kota Kemuning,
 40460 Shah Alam,
 Selangor.

Dear Sirs/Madam,

Crowe Malaysia PLT
 201906000005 (LLP0018817-LCA) & AF 1018
 Chartered Accountants
 Level 16, Tower C, Megan Avenue II
 12, Jalan Yap Kwan Seng
 50450 Kuala Lumpur
 Malaysia
 Main +6 03 2788 9999
 www.crowe.my

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF ECKEM HOLDINGS BERHAD ("ECKEM HOLDINGS" OR "THE COMPANY")

OPINION

We have audited the combined financial statements of Eckem Holdings, Eckem Sdn Bhd, Eckem (JB) Sdn Bhd, Entire Concept Sdn Bhd, Novatex Product Sdn Bhd, Enrich Chemicals Sdn Bhd and Eckem Pte. Ltd. (collectively referred to as "the Group") which comprise the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025, and notes to the combined financial statements, including a summary of material accounting policy information as set out on pages 4 to 94.

This historical financial information has been prepared for inclusion in the prospectus of Eckem Holdings in connection with the listing of and quotation for the entire enlarged issued share capital of Eckem Holdings on the ACE Market of Bursa Malaysia Securities Berhad ("the Prospectus"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and is given for the purpose of complying with Prospectus Guidelines and for no other purpose.

In our opinion, the combined financial information gives a true and fair view of the financial positions of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and of its financial performance and its combined cash flows for each of the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 in accordance with the Malaysian Financial Reporting Standards and IFRS Accounting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountant's Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

12. ACCOUNTANTS' REPORT (Cont'd)**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION**

The Directors of the Company are responsible for the preparation of the financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANTS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

12. ACCOUNTANTS' REPORT (Cont'd)



REPORTING ACCOUNTANTS' RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)

- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the Group for inclusion in the prospectus of Eckem Holdings in connection with the listing of and quotation for the entire issued share capital of Eckem Holdings on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

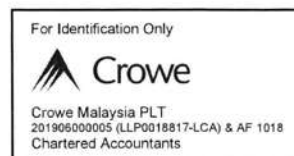
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Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

A handwritten signature in black ink, appearing to read "Chan Kuan Chee".

Chan Kuan Chee
02271/10/2027 J
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF FINANCIAL POSITION**

		31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
	Note				
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	17,211,955	26,580,454	38,947,856	14,020,715
Investment properties	5	13,645,030	13,477,692	11,333,716	42,283,048
Right-of-use assets	6	-	73,776	286,908	275,406
Other investment		40,000	40,000	40,000	40,000
		<u>30,896,985</u>	<u>40,171,922</u>	<u>50,608,480</u>	<u>56,619,169</u>
CURRENT ASSETS					
Inventories	7	5,114,838	9,011,663	8,395,562	9,096,240
Trade receivables	8	6,751,513	8,132,797	8,344,845	7,200,906
Other receivables, deposits and prepayments	9	425,615	172,776	1,045,596	2,608,361
Amount owing by a director	10	-	-	1	-
Current tax assets		9,343	345,674	667,010	522,427
Cash and bank balances		6,985,156	3,101,702	5,884,694	8,209,573
		<u>19,286,465</u>	<u>20,764,612</u>	<u>24,337,708</u>	<u>27,637,507</u>
TOTAL ASSETS		<u>50,183,450</u>	<u>60,936,534</u>	<u>74,946,188</u>	<u>84,256,676</u>

12. ACCOUNTANTS' REPORT (Cont'd)

For Identification Only



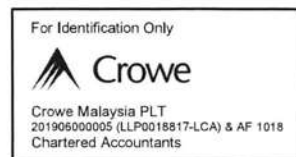
Crowe Malaysia PLT
20190600005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

ECKEM HOLDINGS BERHAD**COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

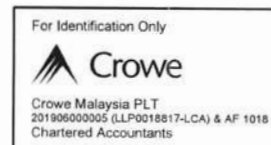
		31 December 2022	31 December 2023	31 December 2024	31 December 2025
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11(a)	-	-	1	1
Invested capital	11(b)	2,100,322	2,600,312	3,200,302	3,200,302
Foreign exchange translation reserve	12	5,729	(404)	(2,990)	(10,741)
Retained profits		20,759,116	27,618,664	31,365,447	35,843,370
TOTAL EQUITY		22,865,167	30,218,572	34,562,760	39,032,932
NON-CURRENT LIABILITIES					
Lease liabilities	13	77,681	-	85,448	87,215
Hire purchase payables	14	82,581	120,165	79,677	37,808
Term loans	15	18,314,601	20,181,306	33,325,225	36,463,800
Deferred tax liabilities	16	110,247	197,475	114,466	126,647
		18,585,110	20,498,946	33,604,816	36,715,470
CURRENT LIABILITIES					
Trade payables	17	3,212,449	5,011,812	3,625,446	4,226,154
Other payables and accruals	18	2,380,404	2,692,038	1,008,553	2,281,694
Amount owing to directors	10	818,701	831,043	215,972	-
Lease liabilities	13	109,137	77,681	207,266	194,287
Hire purchase payables	14	53,029	53,978	40,068	41,868
Term loans	15	711,068	745,964	1,438,744	1,662,034
Current tax liabilities		1,448,385	806,500	242,563	102,237
		8,733,173	10,219,016	6,778,612	8,508,274
TOTAL LIABILITIES		27,318,283	30,717,962	40,383,428	45,223,744
TOTAL EQUITY AND LIABILITIES		50,183,450	60,936,534	74,946,188	84,256,676

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

< -- Financial Year Ended 31 December -- >					
	Note	2022 RM	2023 RM	2024 RM	2025 RM
REVENUE	19	42,901,022	37,150,329	43,932,262	38,661,760
COST OF SALES		(32,061,321)	(25,106,753)	(31,852,358)	(27,921,446)
GROSS PROFIT		10,839,701	12,043,576	12,079,904	10,740,314
OTHER INCOME		264,613	1,485,388	957,286	1,149,313
		11,104,314	13,528,964	13,037,190	11,889,627
SELLING AND DISTRIBUTION EXPENSES		(462,478)	(388,728)	(457,606)	(432,476)
ADMINISTRATIVE EXPENSES		(2,850,218)	(3,520,763)	(3,770,131)	(3,882,708)
OTHER EXPENSES		(444,344)	(63,477)	(144,351)	(241,504)
FINANCE COSTS		(557,194)	(814,656)	(1,193,917)	(1,458,596)
NET (ALLOWANCE)/ REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	20	(206,770)	250,856	50,137	82,277
PROFIT BEFORE TAXATION	21	6,583,310	8,992,196	7,521,322	5,956,620
INCOME TAX EXPENSE	22	(1,713,636)	(2,132,648)	(1,874,539)	(1,478,697)
PROFIT AFTER TAXATION		4,869,674	6,859,548	5,646,783	4,477,923

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

	Note	< -- Financial Year Ended 31 December -- >			
		2022 RM	2023 RM	2024 RM	2025 RM
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		7,362	(6,133)	(2,586)	(7,751)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		4,877,036	6,853,415	5,644,197	4,470,172
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
- Owners of the Company		4,869,674	6,859,548	5,646,783	4,477,923
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
- Owners of the Company		4,877,036	6,853,415	5,644,197	4,470,172
EARNINGS PER SHARE (SEN)					
- Basic	23	231.88	273.17	193.94	139.93
- Diluted	23	231.88	273.17	193.94	139.93

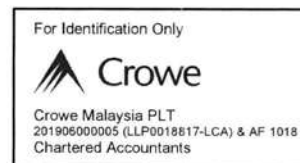
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF CHANGES IN EQUITY**

	Invested Capital RM	Share Capital RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 1 January 2022	2,100,302	-	(1,633)	15,889,442	17,988,111
Profit after taxation for the financial year	-	-	-	4,869,674	4,869,674
Other comprehensive income for the financial year: - Foreign currency translations difference	-	-	7,362	-	7,362
Total comprehensive income for the financial year	-	-	7,362	4,869,674	4,877,036
Issuance of ordinary shares	20	-	-	-	20
Balance at 31 December 2022	2,100,322	-	5,729	20,759,116	22,865,167

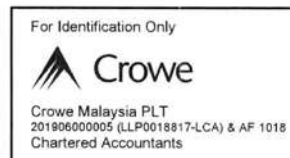
12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)



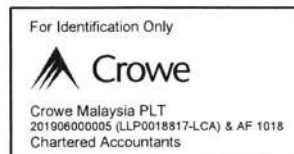
	Invested Capital RM	Share Capital RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 31 December 2022/1 January 2023	2,100,322	-	5,729	20,759,116	22,865,167
Profit after taxation for the financial year	-	-	-	6,859,548	6,859,548
Other comprehensive expense for the financial year - Foreign currency translations difference	-	-	(6,133)	-	(6,133)
Total comprehensive income for the financial year	-	-	(6,133)	6,859,548	6,853,415
Issuance of ordinary shares	499,990	-	-	-	499,990
Balance at 31 December 2023	2,600,312	-	(404)	27,618,664	30,218,572

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Note	Invested Capital RM	Share Capital RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 31 December 2023/1 January 2024		2,600,312	-	(404)	27,618,664	30,218,572
Profit after taxation for the financial year		-	-	-	5,646,783	5,646,783
Other comprehensive expense for the financial year: - Foreign currency translations difference		-	-	(2,586)	-	(2,586)
Total comprehensive income for the financial year		-	-	(2,586)	5,646,783	5,644,197
Issuance of ordinary shares		599,990	1	-	-	599,991
Dividends	24	-	-	-	(1,900,000)	(1,900,000)
Balance at 31 December 2024		3,200,302	1	(2,990)	31,365,447	34,562,760

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Invested Capital RM	Share Capital RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
Balance at 31 December 2024/1 January 2025	3,200,302	1	(2,990)	31,365,447	34,562,760
Profit after taxation for the financial year	-	-	-	4,477,923	4,477,923
Other comprehensive expense for the financial year: - Foreign currency translations difference	-	-	(7,751)	-	(7,751)
Total comprehensive income for the financial year	-	-	(7,751)	4,477,923	4,470,172
Balance at 31 December 2025	3,200,302	1	(10,741)	35,843,370	39,032,932

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF CASH FLOWS**

	< -- Financial Year Ended 31 December -- >			
	2022 RM	2023 RM	2024 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	6,583,310	8,992,196	7,521,322	5,956,620
Adjustments for:-				
Depreciation of property, plant and equipment	252,712	263,621	251,591	229,616
Depreciation of investment properties	15,680	167,338	144,006	127,338
Depreciation of right-of-use assets	36,888	110,665	226,383	233,502
Net impairment losses/ (Reversal of impairment losses) on trade receivables	206,770	(250,856)	(50,137)	(82,277)
Impairment losses/(Reversal of impairment losses) on right-of-use assets	184,441	(184,441)	-	-
Deposit written off	4,800	-	-	-
Property, plant and equipment written off	-	-	-	942
Gain on disposal of motor vehicle	-	-	(10,000)	-
Interest expenses:				
- lease liabilities	5,489	10,863	19,518	18,788
- hire purchase payables	7,042	6,738	7,975	4,571
- term loans	550,126	799,177	1,163,703	1,436,601
Interest income	(3,452)	(18,634)	(5,907)	(1,551)
Impairment losses/(Reversal of impairment losses) on property, plant and equipment	220,474	(220,474)	-	-
Inventories written down	32,212	24,065	-	47,932
Unrealised (gain)/loss on foreign exchange	(27,719)	(14,687)	104,088	97,900
Operating profit before changes in working capital	8,068,773	9,685,571	9,372,542	8,069,982
(Increase)/Decrease in inventories	(1,764,449)	(3,920,890)	616,101	(748,610)
Decrease/(Increase) in trade and other receivables	2,040,527	(877,589)	(1,026,854)	(336,549)
(Decrease)/Increase in trade and other payables	(350,509)	2,110,997	(1,119,881)	371,406
CASH FROM OPERATIONS	7,994,342	6,998,089	7,841,908	7,356,229
Interest received	3,452	18,634	5,907	1,551
Net income tax paid	(1,587,594)	(3,023,636)	(2,842,821)	(1,462,259)
NET CASH FROM OPERATING ACTIVITIES	6,410,200	3,993,087	5,004,994	5,895,521

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****COMBINED STATEMENTS OF CASH FLOWS (CONT'D)**

		< -- Financial Year Ended 31 December -- >			
	Note	2022 RM	2023 RM	2024 RM	2025 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Proceeds from disposal of motor vehicle		-	-	10,000	-
Purchase of property, plant and equipment	25(a)	(3,027,800)	(6,800,608)	(89,303)	(19,372)
NET CASH FOR INVESTING ACTIVITIES		(3,027,800)	(6,800,608)	(79,303)	(19,372)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		-	-	(1,850,000)	(50,000)
Interest paid	25(b)	(562,657)	(816,778)	(1,143,394)	(1,459,960)
Proceeds from issuance of ordinary shares		20	499,990	10,097	-
Proceeds from drawdown of term loan	25(b)	-	-	2,000,000	-
Repayment of lease liabilities	25(b)	(34,511)	(109,137)	(224,482)	(233,212)
Repayment of hire purchase payables	25(b)	(57,754)	(61,467)	(54,398)	(40,069)
Repayment of term loans (Repayment to)/Advance from directors	25(b)	(935,418)	(609,437)	(740,793)	(1,415,835)
		(57,961)	12,339	(25,178)	(215,971)
NET CASH FOR FINANCING ACTIVITIES		(1,648,281)	(1,084,490)	(2,028,148)	(3,415,047)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		1,734,119	(3,892,011)	2,897,543	2,461,102
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		27,863	8,557	(114,551)	(136,223)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR		5,223,174	6,985,156	3,101,702	5,884,694
CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR		6,985,156	3,101,702	5,884,694	8,209,573

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

Eckem Holdings was incorporated in Malaysia on 22 January 2024 with a total paid-up share capital of RM1 comprising 1 ordinary share as a private limited company with the name of Eckem Holdings Sdn Bhd and was subsequently converted to a public limited company on 22 August 2025. The Company is principally engaged in the business of investment holdings.

The registered office and principal place of business are as follows:-

Registered office	: B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan.
Principal place of business	: No. 3, Jalan Anggerik Mokara 31/60, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor.

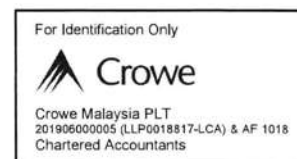
The holding company of Eckem Holdings is Trinity Equity Sdn Bhd, a company incorporated in Malaysia.

For the purpose of listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook a restructuring exercise via the acquisition of subsidiaries as disclosed in Note 31 to the combined financial statements.

The information of the subsidiaries are as follows:-

- (a) Eckem Sdn. Bhd. ("Eckem") was incorporated on 11 April 2007 in Malaysia, as a private limited company and is principally engaged in distribution, sales and application formulation of specialty industrial chemical products.
- (b) Entire Concept Sdn. Bhd. ("Entire Concept") was incorporated on 9 May 2001 in Malaysia, as a private limited company and is principally engaged in distribution, sales and application formulation of specialty industrial chemical products.
- (c) Eckem (JB) Sdn. Bhd. ("Eckem JB") was incorporated on 25 September 2007 in Malaysia, as a private limited company and is principally engaged in distribution and sales of specialty industrial chemical products.
- (d) Novatex Product Sdn. Bhd. ("Novatex Product") was incorporated on 28 March 2022 in Malaysia, as a private limited company and is principally engaged in manufacturing and trading of rubber products.
- (e) Enrich Chemicals Sdn. Bhd. ("Enrich Chemicals") was incorporated on 3 November 2022 in Malaysia, as a private limited company and is principally engaged in distribution and sales of specialty industrial chemical products.
- (f) Eckem Pte. Ltd. ("Eckem Singapore") was incorporated on 27 August 2015 in Singapore, as a private limited company and is principally engaged in trading of specialty industrial chemical products.

The Company and the above subsidiaries are collectively defined as "the Group".

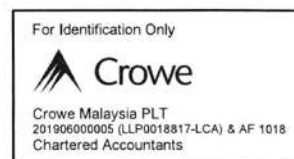
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION**

The combined financial statements of the Group are prepared based on the financial statements for the relevant financial years as follows:-

	<----- FYE 31 December ----->			
	2022	2023	2024	2025
Eckem Holdings	(i)	(i)	✓	✓
Eckem	✓	✓	✓	✓
Entire Concept	✓	✓	✓	✓
Eckem JB	✓	✓	✓	✓
Novatex Product	✓	✓	✓	✓
Enrich Chemicals	✓	✓	✓	✓
Eckem Singapore	✓	✓	✓	✓

(i) No financial statements are available for Eckem Holdings as the Company was incorporated on 22 January 2024.

✓ The combined financial statements of the Group include the financial statements of these combining entities for the respective financial years.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION (CONT'D)**

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the "pooling-of-interest" method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the date of incorporation of entities within the Group. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

All material intra-group transactions and balances have been eliminated on combination.

The combined financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia.

- 2.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or Interpretations Committee ("IC") IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

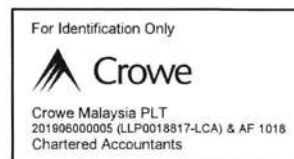
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****2. BASIS OF PREPARATION (CONT'D)**

- 2.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard outlines the new requirements for presenting and disclosing information in the primary financial statements and notes. The Group is currently evaluating the impact of implementing this new standard.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its initial application.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment, Investment Properties and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment, investment properties and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment, investment properties and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

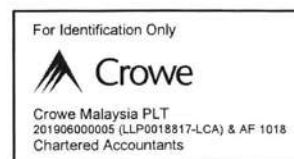
(b) Impairment of Property, Plant and Equipment, Investment Properties and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Write down of Inventories

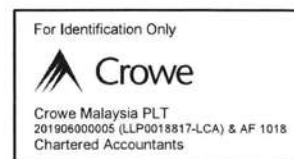
Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amount of trade receivables.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(g) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the combined financial statements.

Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion held to earn rentals or for capital appreciation and another portion held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

12. ACCOUNTANTS' REPORT (Cont'd)



ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

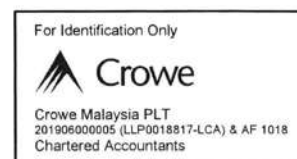
(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****3.2 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity Instruments**Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

3.3 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Factory extension	10%
Factory equipment	10%
Computer	10% - 20%
Furniture, fittings and equipment	10% - 20%
Building	2%
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Plant and machinery	10% - 20%
Renovation	10% - 20%
Lab equipment	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

3.4 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

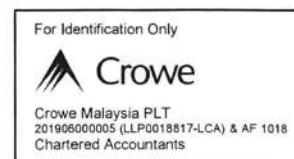
Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

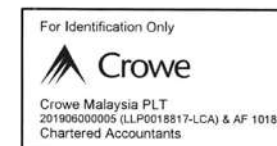
3.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



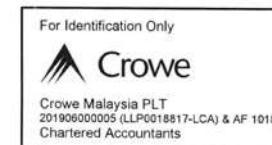
4. PROPERTY, PLANT AND EQUIPMENT

	At 1 January 2022 RM	Additions RM	Impairment loss (Note 21) RM	Depreciation Charges (Note 21) RM	At 31 December 2022 RM
31 December 2022					
<i>Carrying Amount</i>					
Factory extension	-	9,672	(9,350)	(322)	-
Factory equipment	-	1,691	(1,635)	(56)	-
Computer	16,682	15,244	(3,098)	(8,912)	19,916
Furniture, fittings and equipment	7,229	4,550	(4,436)	(4,048)	3,295
Freehold land	8,727,958	4,761,164	-	-	13,489,122
Building	3,408,607	-	-	(84,859)	3,323,748
Motor vehicles	455,685	-	-	(119,767)	335,918
Office equipment	9,867	4,996	(1,726)	(6,093)	7,044
Plant and machinery	5,920	206,788	(200,229)	(6,869)	5,610
Renovation	15,587	33,501	-	(21,786)	27,302
	12,647,535	5,037,606	(220,474)	(252,712)	17,211,955

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



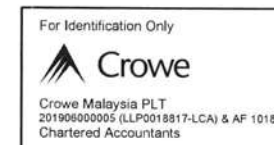
4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1 January 2023 RM	Additions RM	Reversal of Impairment losses (Note 21) RM	Depreciation Charges (Note 21) RM	At 31 December 2023 RM
31 December 2023					
<i>Carrying Amount</i>					
Factory extension	-	5,000	9,350	(1,051)	13,299
Factory equipment	-	8,150	1,635	(642)	9,143
Computer	19,916	21,995	3,098	(9,665)	35,344
Furniture, fittings and equipment	3,295	21,804	4,436	(3,572)	25,963
Freehold land	13,489,122	8,937,565	-	-	22,426,687
Building	3,323,748	-	-	(77,108)	3,246,640
Motor vehicles	335,918	140,201	-	(132,495)	343,624
Office equipment	7,044	9,481	1,726	(3,733)	14,518
Plant and machinery	5,610	46,509	200,229	(26,700)	225,648
Renovation	27,302	30,280	-	(7,605)	49,977
Lab equipment	-	11,540	-	(1,050)	10,490
Work-in-progress	-	179,121	-	-	179,121
	17,211,955	9,411,646	220,474	(263,621)	26,580,454

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



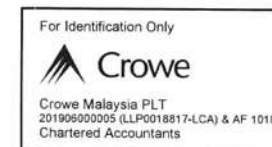
4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1 January 2024 RM	Additions RM	Depreciation Charges (Note 21) RM	At 31 December 2024 RM
31 December 2024				
<i>Carrying Amount</i>				
Factory extension	13,299	-	(1,467)	11,832
Factory equipment	9,143	1,300	(1,038)	9,405
Computer	35,344	16,251	(12,260)	39,335
Furniture, fittings and equipment	25,963	6,290	(4,513)	27,740
Freehold land	22,426,687	12,529,690	-	34,956,377
Building	3,246,640	-	(77,112)	3,169,528
Motor vehicles	343,624	-	(110,914)	232,710
Office equipment	14,518	10,462	(3,989)	20,991
Plant and machinery	225,648	55,000	(27,686)	252,962
Renovation	49,977	-	(10,308)	39,669
Lab equipment	10,490	-	(2,304)	8,186
Work-in-progress	179,121	-	-	179,121
	26,580,454	12,618,993	(251,591)	38,947,856

12. ACCOUNTANTS' REPORT (Cont'd)

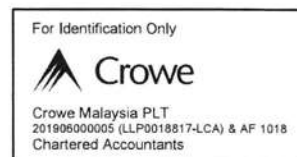
ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

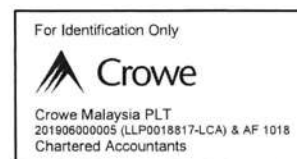


4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1 January 2025 RM	Additions RM	Reclassification to investment property RM	Disposal RM	Depreciation Charges (Note 21) RM	At 31 December 2025 RM
31 December 2025						
<i>Carrying Amount</i>						
Factory extension	11,832	-	-	-	(1,467)	10,365
Factory equipment	9,405	3,190	-	-	(1,300)	11,295
Computer	39,335	4,942	-	-	(13,407)	30,870
Furniture, fittings and equipment	27,740	-	-	-	(4,826)	22,914
Freehold land	34,956,377	-	(24,715,955)	-	-	10,240,422
Building	3,169,528	-	-	-	(77,112)	3,092,416
Motor vehicles	232,710	-	-	-	(82,272)	150,438
Office equipment	20,991	3,440	-	-	(4,902)	19,529
Plant and machinery	252,962	7,800	-	(942)	(31,718)	228,102
Renovation	39,669	-	-	-	(10,308)	29,361
Lab equipment	8,186	-	-	-	(2,304)	5,882
Work-in-progress	179,121	-	-	-	-	179,121
	38,947,856	19,372	(24,715,955)	(942)	(229,616)	14,020,715

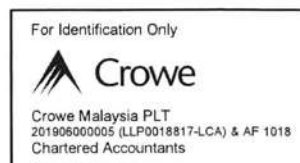
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
31 December 2022				
Factory extension	9,672	(322)	(9,350)	-
Factory equipment	1,691	(56)	(1,635)	-
Computer	103,025	(80,011)	(3,098)	19,916
Furniture, fittings and equipment	109,864	(102,133)	(4,436)	3,295
Freehold land	13,489,122	-	-	13,489,122
Building	3,855,438	(531,690)	-	3,323,748
Motor vehicles	1,307,622	(971,704)	-	335,918
Office equipment	96,025	(87,255)	(1,726)	7,044
Plant and machinery	234,588	(28,749)	(200,229)	5,610
Renovation	250,977	(223,675)	-	27,302
	19,458,024	(2,025,595)	(220,474)	17,211,955
31 December 2023				
Factory extension	14,672	(1,373)	-	13,299
Factory equipment	9,841	(698)	-	9,143
Computer	125,020	(89,676)	-	35,344
Furniture, fittings and equipment	131,668	(105,705)	-	25,963
Freehold land	22,426,687	-	-	22,426,687
Building	3,855,438	(608,798)	-	3,246,640
Motor vehicles	1,447,823	(1,104,199)	-	343,624
Office equipment	105,506	(90,988)	-	14,518
Plant and machinery	281,097	(55,449)	-	225,648
Renovation	281,257	(231,280)	-	49,977
Lab equipment	11,540	(1,050)	-	10,490
Work-in-progress	179,121	-	-	179,121
	28,869,670	(2,289,216)	-	26,580,454

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31 December 2024			
Factory extension	14,672	(2,840)	11,832
Factory equipment	11,141	(1,736)	9,405
Computer	141,271	(101,936)	39,335
Furniture, fittings and equipment	137,958	(110,218)	27,740
Freehold land	34,956,377	-	34,956,377
Building	3,855,438	(685,910)	3,169,528
Motor vehicles	1,447,823	(1,215,113)	232,710
Office equipment	115,968	(94,977)	20,991
Plant and machinery	336,097	(83,135)	252,962
Renovation	281,257	(241,588)	39,669
Lab equipment	11,540	(3,354)	8,186
Work-in-progress	179,121	-	179,121
	41,488,663	(2,540,807)	38,947,856
31 December 2025			
Factory extension	14,672	(4,307)	10,365
Factory equipment	14,331	(3,036)	11,295
Computer	146,213	(115,343)	30,870
Furniture, fittings and equipment	137,958	(115,044)	22,914
Freehold land	10,240,422	-	10,240,422
Building	3,855,438	(763,022)	3,092,416
Motor vehicles	1,447,823	(1,297,385)	150,438
Office equipment	119,408	(99,879)	19,529
Plant and machinery	342,955	(114,853)	228,102
Renovation	281,257	(251,896)	29,361
Lab equipment	11,540	(5,658)	5,882
Work-in-progress	179,121	-	179,121
	16,791,138	(2,770,423)	14,020,715

- (a) The freehold land and buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 15 to the combined financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM150,085 (2024 - RM193,657, 2023 - RM264,811, 2022 - RM203,823) respectively. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 14 to the financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****5. INVESTMENT PROPERTIES**

	At 1 January 2022	Addition	Reclassification	Depreciation Charges (Note 21)	At 31 December 2022
	RM	RM	RM	RM	RM
31 December 2022					
<i>Carrying Amount</i>					
Shop lot building	529,200	-	-	(15,680)	513,520
Freehold land	5,352,627	-	-	-	5,352,627
Capital work in progress	5,206,129	2,572,754	(7,778,883)	-	-
Factory building	-	-	7,778,883	-	7,778,883
	11,087,956	2,572,754	-	(15,680)	13,645,030

	At 1 January 2023	Depreciation Charges (Note 21)	At 31 December 2023
	RM	RM	RM
31 December 2023			
<i>Carrying Amount</i>			
Shop lot building	513,520	(11,760)	501,760
Freehold land	5,352,627	-	5,352,627
Factory building	7,778,883	(155,578)	7,623,305
	13,645,030	(167,338)	13,477,692

	At 1 January 2024	Non- conformance work	Depreciation Charges (Note 21)	At 31 December 2024
	RM		RM	RM
31 December 2024				
<i>Carrying Amount</i>				
Shop lot building	501,760	-	(11,760)	490,000
Freehold land	5,352,627	-	-	5,352,627
Factory building	7,623,305	(1,999,970)	(132,246)	5,491,089
	13,477,692	(1,999,970)	(144,006)	11,333,716

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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5. INVESTMENT PROPERTIES (CONT'D)

	At 1 January 2025	Addition RM	Reclassification from property, plant and equipment RM	Depreciation Charges (Note 21) RM	At 31 December 2025 RM
31 December 2025					
<i>Carrying Amount</i>					
Shop lot building	490,000	-	-	(11,760)	478,240
Freehold land	5,352,627	6,360,715	24,715,955	-	36,429,297
Factory building	5,491,089	-	-	(115,578)	5,375,511
	11,333,716	6,360,715	24,715,955	(127,338)	42,283,048

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Shop lot building	588,000	(74,480)	513,520
Freehold land	5,352,627	-	5,352,627
Factory building	7,778,883	-	7,778,883
	13,719,510	(74,480)	13,645,030

2023			
Shop lot building	588,000	(86,240)	501,760
Freehold land	5,352,627	-	5,352,627
Factory building	7,778,883	(155,578)	7,623,305
	13,719,510	(241,818)	13,477,692

2024			
Shop lot building	588,000	(98,000)	490,000
Freehold land	5,352,627	-	5,352,627
Factory building	5,778,913	(287,824)	5,491,089
	11,719,540	(385,824)	11,333,716

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

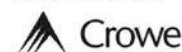


5. INVESTMENT PROPERTIES (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025			
Shop lot building	588,000	(109,760)	478,240
Freehold land	36,429,297	-	36,429,297
Factory building	5,778,913	(403,402)	5,375,511
	<u>42,796,210</u>	<u>(513,162)</u>	<u>42,283,048</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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6. RIGHT-OF-USE ASSETS

	At 1 January 2022 RM	Addition RM	Depreciation Charges (Note 21) RM	Impairment Loss RM	At 31 December 2022 RM

31 December 2022*Carrying Amount*

Factory	-	221,329	(36,888)	(184,441)	-

	At 1 January 2023 RM	Addition RM	Depreciation Charges (Note 21) RM	Reversal of Impairment Loss RM	At 31 December 2023 RM

31 December 2023*Carrying Amount*

Factory	-	-	(110,665)	184,441	73,776

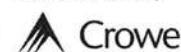
	At 1 January 2024 RM	Addition RM	Depreciation Charges (Note 21) RM	At 31 December 2024 RM

31 December 2024*Carrying Amount*

Factory	73,776	243,461	(114,352)	202,885
Warehouse	-	196,054	(112,031)	84,023
	73,776	439,515	(226,383)	286,908

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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6. RIGHT-OF-USE ASSETS (CONT'D)

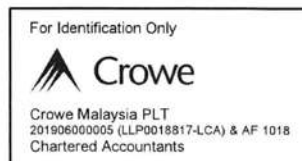
	At 1 January 2025 RM	Changes due to lease modification RM	Depreciation Charges (Note 21) RM	At 31 December 2025 RM
31 December 2025				
<i>Carrying Amount</i>				
Factory	202,885	-	(121,728)	81,157
Warehouse	84,023	222,000	(111,774)	194,249
	<u>286,908</u>	<u>222,000</u>	<u>(233,502)</u>	<u>275,406</u>

(a) The Group leases a factory and a warehouse of which the leasing activities are summarised below:-

- (i) **Factory** The Group has entered into 1 operating lease agreement for the use of factory, with an option to renew the lease after that date.
- (ii) **Warehouse** The Group has entered into 1 operating lease agreement for the use of warehouse, with an option to renew the lease after that date.

7. INVENTORIES

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Raw materials	23,613	63,008	118,586	96,793
Work-in-progress	-	59,857	160,770	114,352
Finished goods	5,091,225	8,888,798	8,116,206	8,885,095
	<u>5,114,838</u>	<u>9,011,663</u>	<u>8,395,562</u>	<u>9,096,240</u>
Recognised in profit or loss:-				
Inventories recognised as cost of sales	31,407,918	24,303,761	30,673,402	26,651,303
Amount written down to net realisable value	32,212	24,065	-	47,932

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****8. TRADE RECEIVABLES**

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Related party	460	-	-	-
Third parties	7,461,620	8,593,335	8,741,185	7,514,969
Allowance for impairment losses	(710,567)	(460,538)	(396,340)	(314,063)
	<u>6,751,513</u>	<u>8,132,797</u>	<u>8,344,845</u>	<u>7,200,906</u>
Allowance for impairment losses:-				
At 1 January	501,615	710,567	460,538	396,340
Addition during the financial year	249,507	-	49,479	-
Write off during the financial year	-	-	(14,061)	-
Reversal during the financial year	(42,737)	(250,856)	(99,616)	(82,277)
Exchange difference	2,182	827	-	-
At 31 December	<u>710,567</u>	<u>460,538</u>	<u>396,340</u>	<u>314,063</u>

The Group's normal trade credit terms range from 14 to 120 (31 December 2024 - 14 to 120, 31 December 2023 - 14 to 90, 31 December 2022 - 30 to 60) days.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Other receivables	10,751	11,648	10,951	10,651
Deposits	73,900	76,098	91,973	91,382
Prepayments	340,964	85,030	942,672	2,506,328
	<u>425,615</u>	<u>172,776</u>	<u>1,045,596</u>	<u>2,608,361</u>

10. AMOUNT OWING BY A DIRECTOR/(TO DIRECTORS)

The amounts owing by a director and to directors represent unsecured, interest-free advances that are repayable on demand and are to be settled in cash.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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11. SHARE CAPITAL AND INVESTED CAPITAL

(a) Share capital

	31 December 2022	31 December 2023	31 December 2024	31 December 2025
	Number of shares			
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	-	-	-	1
Issuance of ordinary shares	-	-	1	-
At 31 December	-	-	1	1
	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	-	-	-	1
Issuance of ordinary shares	-	-	1	-
At 31 December	-	-	1	1

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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11. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)

(b) Invested capital

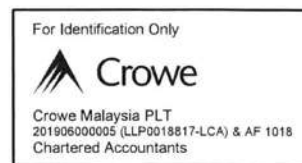
	31 December 2022	31 December 2023	31 December 2024	31 December 2025
	Number of shares			
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	2,100,100	2,100,120	2,600,110	3,200,100
Issuance of ordinary shares	20	499,990	599,990	-
At 31 December	2,100,120	2,600,110	3,200,100	3,200,100
	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	2,100,302	2,100,322	2,600,312	3,200,302
Issuance of ordinary shares	20	499,990	599,990	-
At 31 December	2,100,322	2,600,312	3,200,302	3,200,302

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



11. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)

During the financial year ended 31 December 2024, Novatex Product increased its issued and paid-up share capital from RM10 to RM600,000 by way of issuance of 10,096 new ordinary shares at RM1 each for a cash consideration of RM10,096 and issuance of 589,894 new ordinary shares at RM1 each by way of capitalisation of amount owing to directors amounting to a total of RM589,894.

During the financial year ended 31 December 2023, Enrich Chemicals increased its issued and paid-up share capital from RM10 to RM500,000 by way of issuance of 499,990 new ordinary shares at RM1 each for a cash consideration of RM499,990.

For the purpose of this report, the total number of shares as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 represent the total aggregate number of issued and fully paid-up shares of all combined entities within the Group.

12. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of Eckem Pte. Ltd. whose functional currency is different from the Group's presentation currency.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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13. LEASE LIABILITIES

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
At 1 January	-	186,818	77,681	292,714
Additions	221,329	-	439,515	-
Changes due to lease modification	-	-	-	222,000
Interest expense recognised in profit or loss	5,489	10,863	19,518	18,788
Repayment of principal	(34,511)	(109,137)	(224,482)	(233,212)
Repayment of interest expense	(5,489)	(10,863)	(19,518)	(18,788)
At 31 December	<u>186,818</u>	<u>77,681</u>	<u>292,714</u>	<u>281,502</u>
Analysed by:-				
Current liabilities	109,137	77,681	207,266	194,287
Non-current liabilities	77,681	-	85,448	87,215
	<u>186,818</u>	<u>77,681</u>	<u>292,714</u>	<u>281,502</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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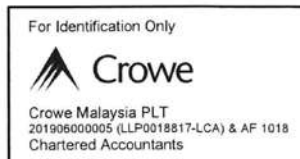
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14. HIRE PURCHASE PAYABLES (SECURED)

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Minimum hire purchase payments:				
- not later than 1 year	57,740	62,396	44,638	44,640
- later than 1 year and not later than 5 years	89,018	128,556	83,918	39,276
	146,758	190,952	128,556	83,916
Less: Future finance charges	(11,148)	(16,809)	(8,811)	(4,240)
Present value of hire purchase payables	135,610	174,143	119,745	79,676
Current liabilities	53,029	53,978	40,068	41,868
Non-current liabilities	82,581	120,165	79,677	37,808
	135,610	174,143	119,745	79,676

The hire purchase payables are secured by the motor vehicles as disclosed in Note 4 to the financial statements.

The effective interest rate of the hire purchase payables of the Group as at the end of the reporting year was ranging between 4.09% - 4.71% (2024 - 4.09% - 4.71%, 2023 - 4.09% - 4.71%, 2022 - 4.09% - 4.27%).

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****15. TERM LOANS (SECURED)**

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Current liabilities	711,068	745,964	1,438,744	1,662,034
Non-current liabilities	18,314,601	20,181,306	33,325,225	36,463,800
	<u>19,025,669</u>	<u>20,927,270</u>	<u>34,763,969</u>	<u>38,125,834</u>

(a) The term loans are secured by:-

- (i) The property, plant and equipment and investment properties of the Group as disclosed in Notes 4 and 5 respectively to the financial statement; and
- (ii) Joint and several guarantee by certain directors of the Group.

(b) The interest rate profile of the term loans is summarised below:-

	31 December 2022 %	Effective Interest Rate 31 December 2023 %	31 December 2024 %	31 December 2025 %
Floating rate term loans	<u>3.32% - 4.55%</u>	<u>3.32% - 4.55%</u>	<u>4.30% - 4.57%</u>	<u>4.13% - 4.41%</u>

16. DEFERRED TAX LIABILITIES

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
At 1 January	301,481	110,247	197,475	114,466
Recognised in profit or loss	<u>(191,234)</u>	<u>87,228</u>	<u>(83,009)</u>	<u>12,181</u>
At 31 December	<u>110,247</u>	<u>197,475</u>	<u>114,466</u>	<u>126,647</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****16. DEFERRED TAX LIABILITIES (CONT'D)**

Movement in deferred tax liabilities:

	At 1 January 2022 RM	Recognised in Profit or Loss (Note 22) RM	At 31 December 2022 RM
31 December 2022			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	301,481	(191,234)	110,247
	At 1 January 2023 RM	Recognised in Profit or Loss (Note 22) RM	At 31 December 2023 RM
31 December 2023			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	110,247	87,228	197,475
	At 1 January 2024 RM	Recognised in Profit or Loss (Note 22) RM	At 31 December 2024 RM
31 December 2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	197,475	(83,009)	114,466
	At 1 January 2025 RM	Recognised in Profit or Loss (Note 22) RM	At 31 December 2025 RM
31 December 2025			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	114,466	12,181	126,647

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2024 - 30 to 120, 2023 - 30 to 120, 2022 - 30 to 90) days.

Included in the Group's trade payables is an amount owing to a related party amounting to Nil (2024 - RM4,918, 2023 - RM5,400, 2022 - RM483) for the purchases of chemical products.

18. OTHER PAYABLES AND ACCRUALS

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Other payables	2,305,583	2,336,896	258,240	1,827,448
Dividend payable	-	-	50,000	-
Accruals	74,821	136,821	206,616	206,049
Advances received from customers	-	218,321	493,697	248,197
	<u>2,380,404</u>	<u>2,692,038</u>	<u>1,008,553</u>	<u>2,281,694</u>

19. REVENUE

	< -----Financial Year Ended 31 December----- >			
	2022 RM	2023 RM	2024 RM	2025 RM
<u>Revenue recognised at a point in time</u>				
Distribution, sales and application formulation of specialty industrial chemical products	42,805,586	36,014,074	40,871,641	35,755,107
Manufacturing and trading of rubber products	95,436	1,136,255	3,060,621	2,906,653
	<u>42,901,022</u>	<u>37,150,329</u>	<u>43,932,262</u>	<u>38,661,760</u>

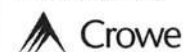
Revenue from distribution, sales and application formulation of specialty industrial chemical products and manufacturing and trading of rubber products is recognised at a point in time when goods have been delivered and accepted by customers.

Revenue is measured based on the price specified in the contract, net of trade discount.

No element of significant financing is deemed present as the sales are made with credit terms not exceeding 12 months which are consistent with prevailing market practice.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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19. REVENUE (CONT'D)

The information of the income from other sources is summarised below:-

Rental Income

Rental income is recognised on a straight-line basis over the lease term.

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

20. NET (ALLOWANCE)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	< -----Financial Year Ended 31 December----- >			
	2022	2023	2024	2025
	RM	RM	RM	RM
Impairment losses:				
- trade receivables (Note 8)	(249,507)	-	(49,479)	-
Reversal of impairment losses:				
- trade receivables (Note 8)	42,737	250,856	99,616	82,277
	<u>(206,770)</u>	<u>250,856</u>	<u>50,137</u>	<u>82,277</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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21. PROFIT BEFORE TAXATION

	< -----Financial Year Ended 31 December----- >			
	2022	2023	2024	2025
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year	70,915	94,039	86,025	85,966
- under/(over)provision in previous financial year	-	15,000	7,025	(12,000)
Depreciation:				
- property, plant and equipment	252,712	263,621	251,591	229,616
- investment properties	15,680	167,338	144,006	127,338
- right-of-use assets	36,888	110,665	226,383	233,502
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	605,346	662,724	711,320	1,002,393
- defined contribution benefits	82,648	77,097	82,380	115,983
- other benefit	2,523	18,318	5,101	8,358
Allowance of/(Reversal of) impairment losses:				
- plant and equipment	220,474	(220,474)	-	-
- right-of-use assets	184,441	(184,441)	-	-
Net impairment losses/ (Reversal of impairment losses) on trade receivables	206,770	(250,856)	(50,137)	(82,277)
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- term loans	550,126	799,177	1,163,703	1,436,601
- hire purchase payables	7,042	6,738	7,975	4,571
- lease liabilities	5,489	10,863	19,518	18,788
Inventories written down	32,212	24,065	-	47,932
Staff costs:				
- salaries, bonuses and allowances	775,237	1,227,127	1,614,750	1,553,715
- defined contribution benefits	96,476	134,907	184,259	165,252
- other benefit	125,898	11,725	57,718	33,243
Loss on foreign exchange:				
- realised	7,218	28,240	32,386	56,392
- unrealised	-	11,171	111,965	136,238
Rental income	(232,454)	(881,818)	(881,817)	(962,651)
Interest income	(3,452)	(18,634)	(5,907)	(1,551)
Gain on foreign exchange:				
- realised	-	(148,624)	(43,708)	(115,904)
- unrealised	(27,719)	(25,858)	(7,877)	(38,338)
Gain on disposal of motor vehicle	-	-	(10,000)	-

12. ACCOUNTANTS' REPORT (Cont'd)
ECKEM HOLDINGS BERHAD
NOTES TO THE COMBINED FINANCIAL STATEMENTS

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22. INCOME TAX EXPENSE

	< -----Financial Year Ended 31 December----- >			
	2022	2023	2024	2025
	RM	RM	RM	RM
Current tax expense	1,904,870	2,045,420	1,594,000	1,312,000
Underprovision in the previous financial year	-	-	363,548	154,516
	<u>1,904,870</u>	<u>2,045,420</u>	<u>1,957,548</u>	<u>1,466,516</u>
Deferred tax				
- origination and reversal of temporary differences	(146,457)	48,203	(2,936)	-
- current year	-	-	-	(6,443)
- (over)/under provision in the previous financial year	(44,777)	39,025	(80,073)	18,624
	<u>(191,234)</u>	<u>87,228</u>	<u>(83,009)</u>	<u>12,181</u>
	<u>1,713,636</u>	<u>2,132,648</u>	<u>1,874,539</u>	<u>1,478,697</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****22. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	< -----Financial Year Ended 31 December----- >			
	2022 RM	2023 RM	2024 RM	2025 RM
Profit before taxation	6,583,310	8,992,196	7,521,322	5,956,620
Tax at the statutory tax rate of 24%	1,579,994	2,158,127	1,805,117	1,429,589
Tax effects of:-				
Non-deductible expenses	270,313	39,124	69,985	12,744
Non-taxable income	-	-	-	(317)
Deferred tax assets not recognised during the financial year	-	-	-	14,967
Differential in tax rate	(91,894)	(103,628)	(274,957)	(149,370)
(Over)/Under provision of deferred taxation in the previous financial year	(44,777)	39,025	(80,073)	18,624
Under provision of current tax expense in the previous financial year	-	-	363,548	154,516
Utilisation of deferred tax assets not recognised in the previous financial year	-	-	-	(2,056)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	-	-	(9,081)	-
	<u>1,713,636</u>	<u>2,132,648</u>	<u>1,874,539</u>	<u>1,478,697</u>

Save for Eckem Singapore, the Group is subject to the Malaysian income tax rates of 15% for the first RM150,000 of chargeable income, 17% for the first chargeable income ranging between RM150,001 up to RM600,000 and 24% on the remaining chargeable income in the financial year ended 2023, 2024 and 2025. In the financial year ended 2022, the income tax rates were 17% on the first RM600,000 of chargeable income and 24% on the remaining chargeable income.

The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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23. EARNINGS PER SHARE

	< -----Financial Year Ended 31 December----- >			
	2022	2023	2024	2025
Profit after taxation attributable to owners of the Company (RM)	4,869,674	6,859,548	5,646,783	4,477,923
Weighted average number of ordinary shares in issue	2,100,109	2,511,071	2,911,581	3,200,101
Basic earnings per share (sen)	231.88	273.17	193.94	139.93

The Group has not issued any potential dilutive ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

24. DIVIDENDS

Detail of dividends are as follows:

Financial year ended ("FYE") 31 December 2024

<u>Company</u>	<u>Related to</u>	<u>Dividend per share (RM)</u>	<u>Amount (RM)</u>
Eckem	FYE 2024	1.30	1,300,000
Entire Concept	FYE 2024	0.40	400,000
Novatex Product	FYE 2024	10,000	100,000
Enrich Chemicals	FYE 2024	0.20	100,000
			1,900,000

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****25. CASH FLOW INFORMATION**

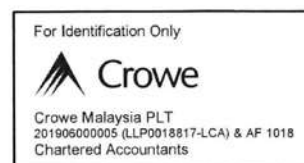
- (a) The cash disbursed for the purchase of property, plant and equipment and investment properties and the addition of right-of-use assets are as follows:-

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Property, plant and equipment and investment properties				
Cost of property, plant and equipment purchased (Note 4)	5,037,606	9,411,646	12,618,993	19,372
Cost of investment properties purchased (Note 5)	2,572,754	-	-	6,370,266
Less: Acquired through hire purchase arrangement	-	(100,000)	-	-
Financed through term loans	(4,582,560)	(2,511,038)	(12,529,690)	(4,777,700)
Balance not paid included in other payables	-	-	-	(1,592,566)
	<u>3,027,800</u>	<u>6,800,608</u>	<u>89,303</u>	<u>19,372</u>
Right-of-use assets				
Cost of right-of-use assets acquired (Note 6)	221,329	-	439,515	222,000
Less: Additions of new lease liabilities	(221,329)	-	(439,515)	-
Changes due to lease modification	-	-	-	(222,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****25. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liability RM	Hire Purchase RM	Term Loan RM	Total RM
31 December 2022				
At 1 January	-	193,364	15,378,527	15,571,891
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(34,511)	(57,754)	(935,418)	(1,027,683)
Repayment of interests	(5,489)	(7,042)	(550,126)	(562,657)
	(40,000)	(64,796)	(1,485,544)	(1,590,340)
<u>Non-cash Changes</u>				
Acquisition of new lease	221,329	-	-	221,329
Acquisition of property, plant and equipment	-	-	4,582,560	4,582,560
Interest expense recognised in profit or loss	5,489	7,042	550,126	562,657
	226,818	7,042	5,132,686	5,366,546
At 31 December	186,818	135,610	19,025,669	19,348,097
	Lease Liability RM	Hire Purchase RM	Term Loan RM	Total RM
31 December 2023				
At 1 January	186,818	135,610	19,025,669	19,348,097
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(109,137)	(61,467)	(609,437)	(780,041)
Repayment of interests	(10,863)	(6,738)	(799,177)	(816,778)
	(120,000)	(68,205)	(1,408,614)	(1,596,819)
<u>Non-cash Changes</u>				
Acquisition of property, plant and equipment	-	100,000	2,511,038	2,611,038
Interest expense recognised in profit or loss	10,863	6,738	799,177	816,778
	10,863	106,738	3,310,215	3,427,816
At 31 December	77,681	174,143	20,927,270	21,179,094

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****25. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liability RM	Hire Purchase RM	Term Loan RM	Total RM
31 December 2024				
At 1 January	77,681	174,143	20,927,270	21,179,094
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	-	2,000,000	2,000,000
Repayment of principal	(224,482)	(54,398)	(740,793)	(1,019,673)
Repayment of interests	(19,518)	(7,975)	(1,115,901)	(1,143,394)
	(244,000)	(62,373)	143,306	(163,067)
<u>Non-cash Changes</u>				
Acquisition of new lease	439,515	-	-	439,515
Acquisition of property, plant and equipment	-	-	12,529,690	12,529,690
Interest expense recognised in profit or loss	19,518	7,975	1,163,703	1,191,196
	459,033	7,975	13,693,393	14,160,401
At 31 December	292,714	119,745	34,763,969	35,176,428

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS**

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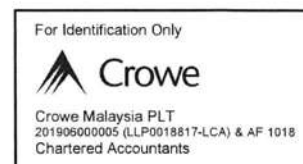
25. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Lease Liability RM	Hire Purchase RM	Term Loan RM	Total RM
31 December 2025				
At 1 January	292,714	119,745	34,763,969	35,176,428
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	-	-	-
Repayment of principal	(233,212)	(40,069)	(1,415,835)	(1,689,116)
Repayment of interests	(18,788)	(4,571)	(1,436,601)	(1,459,960)
	(252,000)	(44,640)	(2,852,436)	(3,149,076)
<u>Non-cash Changes</u>				
Acquisition of new lease	-	-	-	-
Acquisition of investment properties	-	-	4,777,700	4,777,700
Changes due to lease modification	222,000	-	-	222,000
Interest expense recognised in profit or loss	18,788	4,571	1,436,601	1,459,960
	240,788	4,571	6,214,301	6,459,660
At 31 December	281,502	79,676	38,125,834	38,487,012

(c) The total cash outflows for leases as a lessee are as follows:-

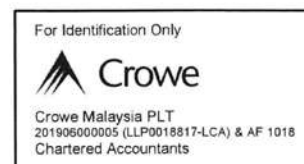
	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Interest paid on lease liabilities	5,489	10,863	19,518	18,788
Payment of lease liabilities	34,511	109,137	224,482	233,212
	40,000	120,000	244,000	252,000

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****26. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group include executive directors and non-executive directors of the Group.

The key management personnel compensation during the financial year are as follows:-

	< -----Financial Year Ended 31 December----- >			
	2022	2023	2024	2025
	RM	RM	RM	RM
Directors of the Group				
<u>Directors of the Group</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	607,869	681,042	716,421	1,010,751
Defined contribution benefits	82,648	77,097	82,380	115,983
Total directors' remuneration (Note 21)	<u>690,517</u>	<u>758,139</u>	<u>798,801</u>	<u>1,126,734</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****27. RELATED PARTY DISCLOSURES****(a) Holding Company**

The holding company is disclosed in Note 1 to the financial statements.

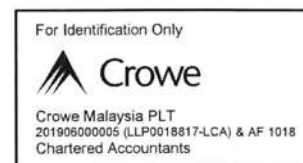
(b) Material Related Party Transactions and Balances

Other than those disclosed elsewhere in the combined financial statements, the Group also carried out the following transactions with the related parties during the financial year:-

	2022 RM	2023 RM	2024 RM	2025 RM
<u>Related party</u>				
Sales	2,516	578	-	-
Purchases	(483)	(4,918)	-	-
<u>Director</u>				
Payment on behalf by a director	23,135	1,706,965	2,441	-
Advances from directors	2,056,874	1,469,588	5,800,000	-
Rental expense paid to a director	(120,000)	(120,000)	(120,000)	(120,000)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the combined financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)



ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

28. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 2 main reportable segments as follows:

- (i) Trading – involved in distribution, sales and application formulation of specialty industrial chemical products
- (ii) Manufacturing – involved in manufacturing and trading of rubber products

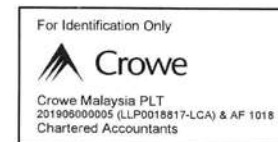
The chief operating decision makers assess the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment assets and liabilities information are not provided to the chief operating decision makers. Hence, no disclosure is made on segment assets and liabilities.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

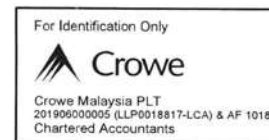
28.1 BUSINESS SEGMENTS

	Manufacturing	Trading	The Group
Audited			
31 December 2022	RM	RM	RM
Revenue			
External revenue	95,436	42,805,586	42,901,022
Results			
Segments (loss)/profit	(608,296)	7,748,800	7,140,504
Finance costs	(26)	(557,168)	(557,194)
(Loss)/Profit before taxation	(608,322)	7,191,632	6,583,310

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

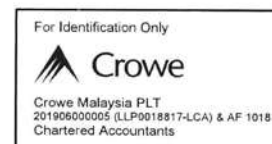
28.1 BUSINESS SEGMENTS (CONT'D)

Audited 31 December 2022	Manufacturing RM	Trading RM	The Group RM
<u>Other information</u>			
Depreciation of property, plant and equipment	(3,716)	(248,996)	(252,712)
Depreciation of investment properties	-	(15,680)	(15,680)
Depreciation of right-of-use assets	(36,888)	-	(36,888)
Deposit written off	-	4,800	4,800
Net impairment losses on trade receivables	-	(206,770)	(206,770)
Impairment losses on plant and equipment	(220,474)	-	(220,474)
Impairment losses on right-of-use assets	(184,441)	-	(184,441)
Inventories written down	(95)	(32,117)	(32,212)
Interest income	-	3,452	3,452
Interest expenses	(5,489)	(557,168)	(562,657)
Unrealised foreign exchange gains	-	27,719	27,719

12. ACCOUNTANTS' REPORT *(Cont'd)*

ECKEM HOLDINGS BERHAD

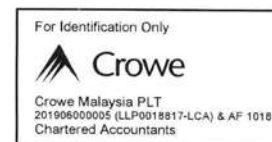
NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing	Trading	The Group
Audited			
31 December 2023	RM	RM	RM
Revenue			
External revenue	1,136,255	36,014,074	37,150,329
Results			
Segments profit	532,187	9,274,665	9,806,852
Finance costs	(758)	(813,898)	(814,656)
Profit before taxation	531,429	8,460,767	8,992,196

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****28. OPERATING SEGMENTS (CONT'D)****28.1 BUSINESS SEGMENTS (CONT'D)****Audited
31 December 2023**Other information

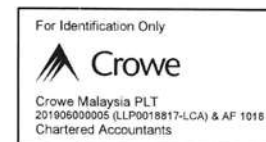
Depreciation of property, plant and equipment
 Depreciation of investment properties
 Depreciation of right-of-use assets
 Net reversal of impairment losses on trade receivables
 Reversal of impairment losses on plant and equipment
 Reversal of impairment losses on right-of-use assets
 Inventories written down
 Interest income
 Interest expenses
 Unrealised foreign exchange gains
 Unrealised foreign exchange loss

Manufacturing RM	Trading RM	The Group RM
(27,585)	(236,036)	(263,621)
-	(167,338)	(167,338)
(110,665)	-	(110,665)
-	250,856	250,856
220,474	-	220,474
184,441	-	184,441
-	(24,065)	(24,065)
242	18,392	18,634
(10,863)	(805,915)	(816,778)
8,322	17,536	25,858
-	(11,171)	(11,171)

12. ACCOUNTANTS' REPORT *(Cont'd)*

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

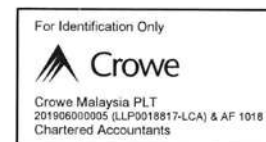
28.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing	Trading	The Group
Audited			
31 December 2024	RM	RM	RM
Revenue			
External revenue	3,060,621	40,871,641	43,932,262
Results			
Segments profit	817,018	7,898,221	8,715,239
Finance costs	(3,666)	(1,190,251)	(1,193,917)
Profit before taxation	813,352	6,707,970	7,521,322

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

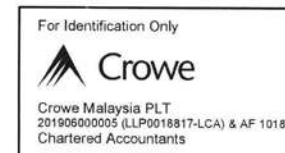
28.1 BUSINESS SEGMENTS (CONT'D)

Audited 31 December 2024	Manufacturing RM	Trading RM	The Group RM
<u>Other information</u>			
Depreciation of property, plant and equipment	(32,677)	(218,914)	(251,591)
Depreciation of investment properties	-	(144,006)	(144,006)
Depreciation of right-of-use assets	(114,352)	(112,031)	(226,383)
Net reversal of impairment losses on trade receivables	(49,479)	99,616	50,137
Interest income	-	5,907	5,907
Interest expenses	(8,357)	(1,182,839)	(1,191,196)
Unrealised foreign exchange gains	28	7,849	7,877
Unrealised foreign exchange loss	(111,965)	-	(111,965)

12. ACCOUNTANTS' REPORT *(Cont'd)*

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

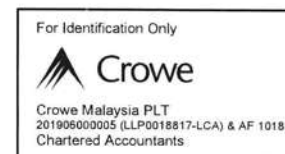
28.1 BUSINESS SEGMENTS (CONT'D)

	Manufacturing	Trading	The Group
Audited			
31 December 2025	RM	RM	RM
Revenue			
External revenue	2,906,653	35,755,107	38,661,760
Results			
Segments profit	308,952	7,106,264	7,415,216
Finance costs	(3,257)	(1,455,339)	(1,458,596)
Profit before taxation	305,695	5,650,925	5,956,620

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

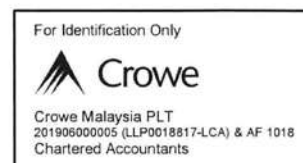
NOTES TO THE COMBINED FINANCIAL STATEMENTS



28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

Audited 31 December 2025	Manufacturing RM	Trading RM	The Group RM
<u>Other information</u>			
Depreciation of property, plant and equipment	(37,680)	(191,936)	(229,616)
Depreciation of investment properties	-	(127,338)	(127,338)
Depreciation of right-of-use assets	(121,728)	(111,774)	(233,502)
Net reversal of impairment losses on trade receivables	2,936	79,341	82,277
Inventories written down	(47,932)	-	(47,932)
Interest income	-	1,551	1,551
Interest expenses	(11,949)	(1,448,011)	(1,459,960)
Unrealised foreign exchange gains	-	38,338	38,338
Unrealised foreign exchange loss	(136,238)	-	(136,238)

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****28. OPERATING SEGMENTS (CONT'D)****28.2 GEOGRAPHICAL INFORMATION**

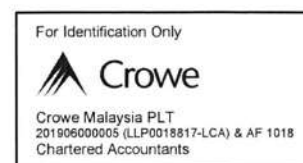
The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

28.3 MAJOR CUSTOMERS

The following are major customers for manufacturing and trading segments with revenue equal to or more than 10% of the Group's total revenue.

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Customer # 1	7,505,738	5,023,753	4,467,753	2,190,352
Customer # 2	<u>2,673,695</u>	<u>3,827,352</u>	<u>3,700,325</u>	<u>3,374,847</u>

Customer # 2 represents a group of companies that are subsidiaries under a common holding company.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****29. CAPITAL COMMITMENTS**

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Purchase and construction of property, plant and equipment	30,792,776	32,903,937	20,374,248	12,411,416
Construction of investment properties	-	-	-	1,592,567
	<u>30,792,776</u>	<u>32,903,937</u>	<u>20,374,248</u>	<u>14,003,983</u>

30. FINANCIAL INSTRUMENTS

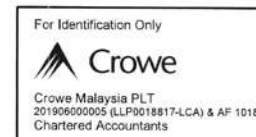
The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

30.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

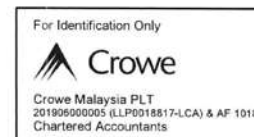
The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily European Monetary Unit ("EUR"), United States Dollar ("USD"), and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)**

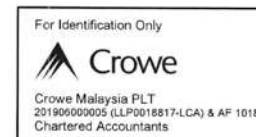
The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2022					
<u>Financial Assets</u>					
Other investment	-	-	-	40,000	40,000
Trade receivables	-	-	127,473	6,624,040	6,751,513
Other receivables	-	-	-	10,751	10,751
Cash and bank balances	2,377	30,546	879,101	6,073,132	6,985,156
	2,377	30,546	1,006,574	12,747,923	13,787,420
<u>Financial Liabilities</u>					
Term loans	-	-	-	(19,025,669)	(19,025,669)
Hire purchase payables	-	-	-	(135,610)	(135,610)
Lease liabilities	-	-	-	(186,818)	(186,818)
Trade payables	(10,560)	(131,371)	-	(3,070,518)	(3,212,449)
Other payables and accruals	-	-	(642)	(2,379,762)	(2,380,404)
Amount owing to directors	-	-	(215,066)	(603,635)	(818,701)
	(10,560)	(131,371)	(215,708)	(25,402,012)	(25,759,651)
Net financial (liabilities)/assets	(8,183)	(100,825)	790,866	(12,654,089)	(11,972,231)

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

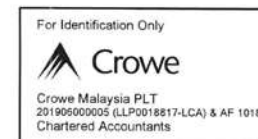
	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2022 (Cont'd)					
Net financial (liabilities)/assets	(8,183)	(100,825)	790,866	(12,654,089)	(11,972,231)
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-	-	(127,165)	12,654,089	12,526,924
Currency Exposure	(8,183)	(100,825)	663,701	-	554,693

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

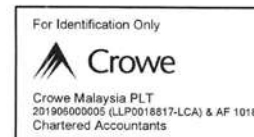
	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2023					
<u>Financial Assets</u>					
Other investment	-	-	-	40,000	40,000
Trade receivables	-	80,544	23,502	8,028,751	8,132,797
Other receivables	-	-	-	11,648	11,648
Cash and bank balances	1,378	304,574	255,049	2,540,701	3,101,702
	1,378	385,118	278,551	10,621,100	11,286,147
<u>Financial Liabilities</u>					
Term loans	-	-	-	(20,927,270)	(20,927,270)
Hire purchase payables	-	-	-	(174,143)	(174,143)
Lease liabilities	-	-	-	(77,681)	(77,681)
Trade payables	(269,249)	(51,315)	-	(4,691,248)	(5,011,812)
Other payables and accruals	-	(131,519)	(727)	(2,559,792)	(2,692,038)
Amount owing to directors	-	-	(228,512)	(602,531)	(831,043)
	(269,249)	(182,834)	(229,239)	(29,032,665)	(29,713,987)
Net financial (liabilities)/assets	(267,871)	202,284	49,312	(18,411,565)	(18,427,840)

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

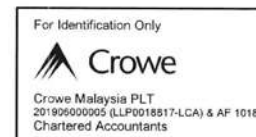
	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2023 (Cont'd)					
Net financial (liabilities)/assets	(267,871)	202,284	49,312	(18,411,565)	(18,427,840)
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-	-	(20,580)	18,411,565	18,390,985
Currency Exposure	(267,871)	202,284	28,732	-	(36,855)

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2024					
<u>Financial Assets</u>					
Other investment	-	-	-	40,000	40,000
Trade receivables	-	230	6,608	8,338,007	8,344,845
Other receivables	-	-	-	10,951	10,951
Amount owing by a director	-	-	-	1	1
Cash and bank balances	1,106	869,830	168,777	4,844,981	5,884,694
	1,106	870,060	175,385	13,233,940	14,280,491
<u>Financial Liabilities</u>					
Term loans	-	-	-	(34,763,969)	(34,763,969)
Hire purchase payables	-	-	-	(119,745)	(119,745)
Lease liabilities	-	-	-	(292,714)	(292,714)
Trade payables	-	-	-	(3,625,446)	(3,625,446)
Other payables and accruals	-	(544,567)	(822)	(463,164)	(1,008,553)
Amount owing to directors	-	-	-	(215,972)	(215,972)
	-	(544,567)	(822)	(39,481,010)	(40,026,399)
Net financial assets/(liabilities)	1,106	325,493	174,563	(26,247,070)	(25,745,908)

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2024 (Cont'd)					
Net financial assets/(liabilities)	1,106	325,493	174,563	(26,247,070)	(25,745,908)
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-	-	(21,880)	26,247,070	26,225,190
Currency Exposure	1,106	325,493	152,683	-	479,282

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2025					
<u>Financial Assets</u>					
Other investment	-	-	-	40,000	40,000
Trade receivables	-	-	33,706	7,167,200	7,200,906
Other receivables	-	-	-	10,651	10,651
Cash and bank balances	33,808	887,123	167,687	7,120,955	8,209,573
	33,808	887,123	201,393	14,338,806	15,461,130
<u>Financial Liabilities</u>					
Term loans	-	-	-	38,125,834	38,125,834
Hire purchase payables	-	-	-	79,676	79,676
Lease liabilities	-	-	-	281,502	281,502
Trade payables	118,936	722,932	-	3,384,286	4,226,154
Other payables and accruals	-	248,197	19,732	2,013,765	2,281,694
	118,936	971,129	19,732	43,885,063	44,994,860
Net financial assets/(liabilities)	(85,128)	(84,006)	181,661	(29,546,257)	(29,533,730)

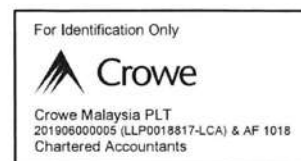
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)***Foreign Currency Exposure (Cont'd)*

	EUR RM	USD RM	SGD RM	MYR RM	Total RM
Audited					
31 December 2025 (Cont'd)					
Net financial assets/(liabilities)					
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	-	-	(170,391)	29,546,257	29,375,866
Currency Exposure	(85,128)	(84,006)	11,270	-	(157,864)

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

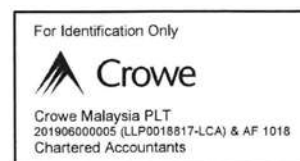
Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS



30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

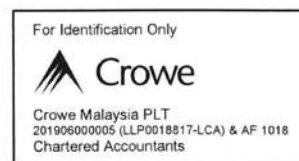
(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 15 to the financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest Rate Risk (Cont'd)***Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Effects on Profit After Taxation/Other Comprehensive Income				
Increase of 100 basis points	(144,595)	(159,047)	(264,206)	(289,756)
Decrease of 100 basis points	144,595	159,047	264,206	289,756

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted debt investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

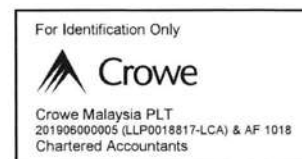
The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) have been grouped based on shared credit risk characteristics and the days past due.

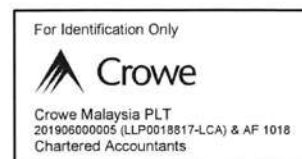
The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2024, 2023, 2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

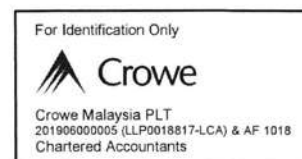
Allowance for Impairment Losses

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Impairment RM	Carrying Amount RM
31 December 2022				
Current (not past due)	2,233,347	-	(67,621)	2,165,726
1 to 30 days past due	2,014,019	-	(113,921)	1,900,098
31 to 60 days past due	1,696,692	-	(106,426)	1,590,266
61 to 90 days past due	950,902	-	(112,303)	838,599
Over 90 days past due	343,708	-	(86,884)	256,824
Credit impaired	223,412	(223,412)	-	-
	7,462,080	(223,412)	(487,155)	6,751,513

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables (Cont'd)*Allowance for Impairment Losses (Cont'd)*

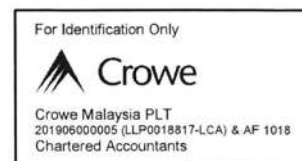
	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Impairment RM	Carrying Amount RM
31 December 2023				
Current (not past due)	2,734,219	-	(61,458)	2,672,761
1 to 30 days past due	2,693,186	-	(79,292)	2,613,894
31 to 60 days past due	1,975,784	-	(78,716)	1,897,068
61 to 90 days past due	803,932	-	(55,899)	748,033
Over 90 days past due	334,753	-	(133,712)	201,041
Credit impaired	51,461	(51,461)	-	-
	8,593,335	(51,461)	(409,077)	8,132,797

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Impairment RM	Carrying Amount RM
31 December 2024				
Current (not past due)	2,799,693	-	(59,486)	2,740,207
1 to 30 days past due	2,730,840	-	(68,562)	2,662,278
31 to 60 days past due	1,878,769	-	(62,070)	1,816,699
61 to 90 days past due	980,573	-	(54,950)	925,623
Over 90 days past due	284,479	-	(84,441)	200,038
Credit impaired	66,831	(49,479)	(17,352)	-
	8,741,185	(49,479)	(346,861)	8,344,845

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables (Cont'd)Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Impairment RM	Carrying Amount RM
31 December 2025				
Current (not past due)	2,407,415	-	(26,705)	2,380,710
1 to 30 days past due	2,026,600	-	(31,133)	1,995,467
31 to 60 days past due	1,977,479	-	(52,149)	1,925,330
61 to 90 days past due	810,291	-	(39,284)	771,007
Over 90 days past due	195,411	-	(67,019)	128,392
Credit impaired	97,773	(46,543)	(51,230)	-
	<u>7,514,969</u>	<u>(46,543)</u>	<u>(267,520)</u>	<u>7,200,906</u>

The movements in the loss allowances in respect of trade receivables is disclosed in Note 8 to the combined financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Other Receivables and Amount Owing by Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

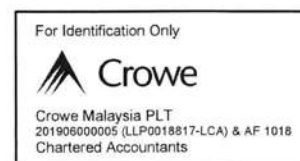
The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

12. ACCOUNTANTS' REPORT (Cont'd)



ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by Related Parties (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

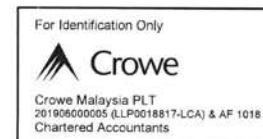
There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Group considers the licensed banks have low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

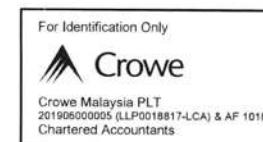
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
31 December 2022						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	7.90	186,818	200,000	120,000	80,000	-
Hire purchase payables	4.09 - 4.27	135,610	146,760	57,742	89,018	-
Term loans	3.32 - 4.55	19,025,669	27,726,091	1,408,844	6,783,272	19,533,975
Trade payables	-	3,212,449	3,212,449	3,212,449	-	-
Other payables and accruals	-	2,380,404	2,380,404	2,380,404	-	-
Amount owing to directors	-	818,701	818,701	818,701	-	-
		25,759,651	34,484,405	7,998,140	6,952,290	19,533,975

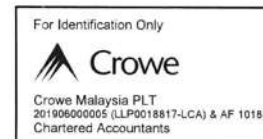
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
31 December 2023						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	7.90	77,681	80,000	80,000	-	-
Hire purchase payables	4.09 - 4.71	174,143	193,922	65,360	128,562	-
Term loans	3.32 - 4.55	20,927,270	29,774,386	1,463,967	8,465,859	19,844,560
Trade payables	-	5,011,812	5,011,812	5,011,812	-	-
Other payables and accruals	-	2,692,038	2,692,038	2,692,038	-	-
Amount owing to directors	-	831,043	831,043	831,043	-	-
		29,713,987	38,583,201	10,144,220	8,594,421	19,844,560

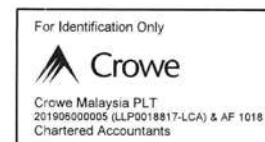
12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS**30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

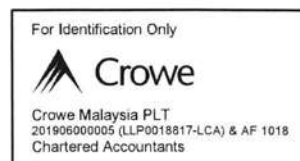
The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
31 December 2024						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	7.60 - 7.90	292,714	312,550	224,551	87,999	-
Hire purchase payables	4.09 - 4.71	119,745	128,556	44,638	83,918	-
Term loans	4.30 - 4.57	34,763,969	45,671,585	2,528,378	12,221,189	30,922,018
Trade payables	-	3,625,446	3,625,446	3,625,446	-	-
Other payables and accruals	-	1,008,553	1,008,553	1,008,553	-	-
Amount owing to directors	-	215,972	215,972	215,972	-	-
		40,026,399	50,962,662	7,647,538	12,393,106	30,922,018

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) Liquidity Risk (Cont'd)***Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
31 December 2025						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	7.60 - 7.90	281,502	297,999	207,999	90,000	-
Hire purchase payables	4.09 - 4.71	79,676	83,916	44,640	39,276	-
Term loans	4.05 - 4.32	38,125,834	49,462,907	3,084,583	12,439,119	33,939,205
Trade payables	-	4,226,154	4,226,154	4,226,154	-	-
Other payables and accruals	-	2,281,694	2,281,694	2,281,694	-	-
		44,994,860	56,352,670	9,845,070	12,568,395	33,939,205

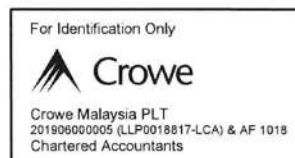
12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

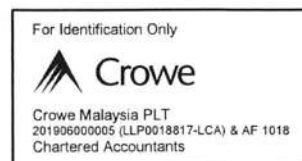
The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as debt divided by total equity. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Hire purchase payables	135,610	174,143	119,745	79,676
Term loans	<u>19,025,669</u>	<u>20,927,270</u>	<u>34,763,969</u>	<u>38,125,834</u>
	<u>19,161,279</u>	<u>21,101,413</u>	<u>34,883,714</u>	<u>38,205,510</u>
Total equity	<u>22,865,167</u>	<u>30,218,572</u>	<u>34,562,760</u>	<u>39,032,932</u>
Debt-to-equity ratio	<u>0.84</u>	<u>0.70</u>	<u>1.01</u>	<u>0.98</u>

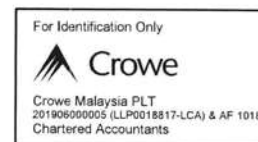
There was no change in the Group's approach to capital management during the financial year.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Financial Assets				
<u>Designated at fair value through other comprehensive income upon initial recognition</u>				
Other investment	40,000	40,000	40,000	40,000
<u>Amortised Cost</u>				
Trade receivables	6,751,513	8,132,797	8,344,845	7,200,906
Other receivables	10,751	11,648	10,951	10,651
Amount owing by a director	-	-	1	-
Cash and bank balances	6,985,146	3,101,702	5,884,694	8,209,573
	13,747,410	11,246,147	14,240,491	15,421,130
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities	186,818	77,681	292,714	281,502
Hire purchase payables	135,610	174,143	119,745	79,676
Term loans	19,025,669	20,927,270	34,763,969	38,125,834
Trade payables	3,212,449	5,011,812	3,625,446	4,226,154
Other payables and accruals	2,380,404	2,692,038	1,008,553	2,281,694
Amount owing to directors	818,701	831,043	215,972	-
	25,759,651	29,713,987	40,026,399	44,994,860

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.4 (LOSSES) OR GAINS ARISING FROM FINANCIAL INSTRUMENTS**

	31 December 2022 RM	31 December 2023 RM	31 December 2024 RM	31 December 2025 RM
Financial Assets				
<u>Amortised Cost</u>				
Interest Income	3,452	18,634	5,907	1,551
Impairment losses on trade receivables	(249,507)	-	(49,479)	-
Reversal of impairment losses on trade receivables	42,737	250,856	99,616	82,277
Net (losses)/gains recognised in profit or loss	<u>(203,318)</u>	<u>269,490</u>	<u>56,044</u>	<u>83,828</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Interest expense:				
- hire purchase payables	(7,042)	(6,738)	(7,975)	(4,571)
- lease liabilities	(5,489)	(10,863)	(19,518)	(18,788)
- term loans	(550,126)	(799,177)	(1,163,703)	(1,436,601)
Net losses recognised in profit or loss	<u>(562,657)</u>	<u>(816,778)</u>	<u>(1,191,196)</u>	<u>(1,459,960)</u>

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.5 FAIR VALUE INFORMATION**

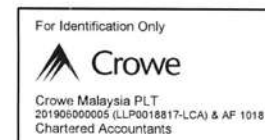
The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
31 December 2022								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	135,610	-	135,610	135,610
Term loans: - floating rate	-	-	-	-	19,025,669	-	19,025,669	19,025,669
31 December 2023								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	174,143	-	174,143	174,143
Term loans: - floating rate	-	-	-	-	20,927,270	-	20,927,270	20,927,270

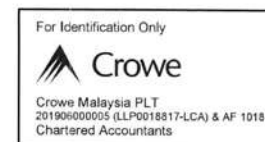
12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

NOTES TO THE COMBINED FINANCIAL STATEMENTS**30. FINANCIAL INSTRUMENTS (CONT'D)****30.5 FAIR VALUE INFORMATION (CONT'D)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year (Cont'd):-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Audited								
31 December 2024								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	119,745	-	119,745	119,745
Term loans: - floating rate	-	-	-	-	34,763,969	-	34,763,969	34,763,969

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****30. FINANCIAL INSTRUMENTS (CONT'D)****30.5 FAIR VALUE INFORMATION (CONT'D)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year (Cont'd):-

Audited	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
31 December 2025								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	79,676	-	79,676	79,676
Term loans: - floating rate	-	-	-	-	38,125,834	-	38,125,834	38,125,834

Fair Value of Financial Instruments Not Carried at Fair Value

- (i) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.
- (ii) The fair value of the Group's term loans that carry floating interest rate approximated their carrying amount as it is repriced to market interest rate on or near the reporting date.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD****(a) Acquisition of Eckem**

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen to acquire the entire equity interest in Eckem comprising 1,000,000 ordinary shares for a purchase consideration of RM25,572,420 which was satisfied by the issuance of 373,319,999 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen at an issue price of RM0.0685 each.

The purchase consideration of RM25,572,420 for the Acquisition of Eckem was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets of Eckem as at 31 December 2024 of RM25,848,015.

(b) Acquisition of Entire Concept

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah and Tan Khai Jeik to acquire the entire equity interest in Entire Concept comprising 1,000,000 ordinary shares for a purchase consideration of RM6,306,110 which was satisfied by the issuance of 92,060,000 new Shares to Tan Kwang Wah and Tan Khai Jeik at an issue price of RM0.0685 each.

The purchase consideration of RM6,306,110 for the Acquisition of Entire Concept was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets of Entire Concept as at 31 December 2024 of RM6,373,870.

(c) Acquisition of Eckem JB

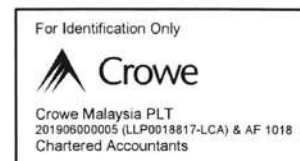
On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik to acquire the entire equity interest in Eckem JB comprising 100,000 ordinary shares for a purchase consideration of RM510,325 which was satisfied by the issuance of 7,450,000 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik at an issue price of RM0.0685 each.

The purchase consideration of RM510,325 for the Acquisition of Eckem JB was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets of Eckem JB as at 31 December 2024 of RM515,982.

(d) Acquisition of Enrich Chemicals

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn to acquire the entire equity interest in Enrich Chemicals comprising 500,000 ordinary shares for a purchase consideration of RM768,570 which was satisfied by the issuance of 11,220,000 new Shares to Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn at an issue price of RM0.0685 each.

The purchase consideration of RM768,570 for the Acquisition of Enrich Chemicals was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets of Enrich Chemicals as at 31 December 2024 of RM776,945.

12. ACCOUNTANTS' REPORT (Cont'd)**ECKEM HOLDINGS BERHAD****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31. SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD (CONT'D)****(e) Acquisition of Novatex Product**

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar to acquire the entire equity interest in Novatex Product comprising 600,000 ordinary shares for a purchase consideration of RM1,092,575 which was satisfied by the issuance of 15,950,000 new Shares to Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar at an issue price of RM0.0685 each.

The purchase consideration of RM1,092,575 for the Acquisition of Novatex Product was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets of Novatex Product as at 31 December 2024 of RM1,104,457.

(f) Acquisition of Eckem Singapore

On 18 August 2025, Eckem Holdings entered into a conditional share purchase agreement with Tan Kwang Wah and Sam Lai Yoong to acquire the entire equity interest in Eckem Singapore comprising 100 ordinary shares for a purchase consideration of SGD2 which was fully satisfied in cash.

The purchase consideration of SGD2 for the Acquisition of Eckem Singapore was arrived at on a "willing-buyer willing-seller basis" after taking into consideration the audited net liability of Eckem Singapore as at 31 December 2024 of SGD6,656 equivalent to RM21,884 based on an exchange rate of SGD1.00: RM3.2878, being BNM's prevailing middle rate as at 5.00 p.m. on 31 December 2024.

32. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The Acquisitions of Eckem, Entire Concept, Enrich Chemicals, Eckem JB and Novatex Product were completed on 31 March 2026.

The Acquisition of Eckem Singapore was completed on 20 March 2026.

12. ACCOUNTANTS' REPORT (Cont'd)

ECKEM HOLDINGS BERHAD

STATEMENT BY DIRECTORS

We, Tan Kwang Wah and Tan Khai Jeik, being the directors of Eckem Holdings Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 4 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group as of 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 and of their financial performance and cash flows for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025.

Signed in accordance with a resolution of the directors dated 6 May 2026.



Tan Kwang Wah



Tan Khai Jeik

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION



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6 May 2026

The Board of Directors
Eckem Holdings Berhad
No. 3, Jalan Anggerik Mokara 31/60,
Seksyen 31, Kota Kemuning,
40460 Shah Alam,
Selangor.

Dear Sirs/Madam,

ECKEM HOLDINGS BERHAD ("Eckem Holdings" or the "Company")
REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of Eckem Holdings, Eckem Sdn Bhd, Eckem (JB) Sdn Bhd, Entire Concept Sdn Bhd, Novatex Product Sdn Bhd, Enrich Chemicals Sdn Bhd and Eckem Pte. Ltd. (collectively referred to as "the Group") as at 31 December 2025 together with the accompanying notes thereon (as set out in Appendix A, for which we have stamped for the purpose of identification), prepared by the Board of Directors of the Company.

The Pro Forma Combined Statements of Financial Position have been prepared for inclusion in the Prospectus in connection with the listing and quotation of the entire enlarged issued share capital in Eckem Holdings on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing").

The application criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Combined Statements of Financial Position are described in the notes thereon to the Pro Forma Combined Statements of Financial Position. The Pro Forma Combined Statements of Financial Position are prepared in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Guidance Note").

The Pro Forma Combined Statements of Financial Position have been compiled by the Board of Directors to illustrate the impact of the transactions as set out in the notes thereon to the Pro Forma Combined Statements of Financial Position as at 31 December 2025 as if the events have occurred or the transactions have been undertaken throughout the financial year. As part of this process, information about the Group's financial position as at 31 December 2025 has been extracted by the Board of Directors from the Group's audited combined financial statements as at 31 December 2025.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (*Cont'd*)



THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines issued by the Securities Commission Malaysia, about whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards as adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of Pro Forma Combined Statements of Financial Position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, Pro Forma Combined Statements of Financial Position of the Group have been compiled, in all material respects, on the basis as described in notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in black ink, appearing to read "Crowe Malaysia PLT".

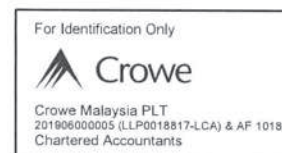
Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

A handwritten signature in black ink, appearing to read "Chan Kuan Chee".

Chan Kuan Chee
02271/10/2027 J
Chartered Accountant

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



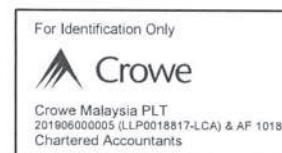
APPENDIX A

ECKEM HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	<u>Audited</u>		<u>Pro Forma I</u>		<u>Pro Forma II</u>		<u>Pro Forma III</u>		<u>Pro Forma IV</u>
	As At 31 December 2025 RM	Adjustment for Drawdown of Term Loans RM	After Adjustment for Drawdown of Term Loans RM	Adjustment for Acquisitions RM	After Pro Forma I and Acquisitions RM	Adjustment for Public Issue RM	After Pro Forma II and Public Issue RM	Adjustment for utilisation of proceeds RM	After Pro Forma III and utilisation of proceeds RM
Note									
ASSETS									
NON-CURRENT ASSETS									
Property, plant and equipment	14,020,715	-	14,020,715	-	14,020,715	-	14,020,715	-	14,020,715
Investment properties	42,283,048	-	42,283,048	-	42,283,048	-	42,283,048	-	42,283,048
Right-of-use assets	275,406	-	275,406	-	275,406	-	275,406	-	275,406
Other investment	40,000	-	40,000	-	40,000	-	40,000	-	40,000
	<u>56,619,169</u>		<u>56,619,169</u>		<u>56,619,169</u>		<u>56,619,169</u>		<u>56,619,169</u>
CURRENT ASSETS									
Inventories	9,096,240	-	9,096,240	-	9,096,240	-	9,096,240	-	9,096,240
Trade receivables	7,200,906	-	7,200,906	-	7,200,906	-	7,200,906	-	7,200,906
Other receivables, deposits and prepayments	6.7 2,608,361	-	2,608,361	-	2,608,361	-	2,608,361	(2,276,254)	332,107
Current tax assets	522,427	-	522,427	-	522,427	-	522,427	-	522,427
Cash and bank balances	6.1 8,209,573	-	8,209,573	(7)	8,209,566	15,000,000	23,209,566	(2,973,746)	20,235,820
	<u>27,637,507</u>		<u>27,637,507</u>		<u>27,637,500</u>		<u>42,637,500</u>		<u>37,387,500</u>
TOTAL ASSETS	<u>84,256,676</u>		<u>84,256,676</u>		<u>84,256,669</u>		<u>99,256,669</u>		<u>94,006,669</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



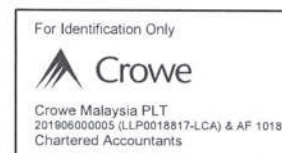
APPENDIX A

ECKEM HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONT'D)

		<u>Audited</u>		<u>Pro Forma I</u>		<u>Pro Forma II</u>		<u>Pro Forma III</u>		<u>Pro Forma IV</u>
	Note	As At 31 December 2025 RM	Adjustment for Drawdown of Term Loans RM	After Adjustment for Drawdown of Term Loans RM	Adjustment for Acquisitions RM	After Pro Forma I and Acquisitions RM	Adjustment for Public Issue RM	After Pro Forma II and Public Issue RM	Adjustment for utilisation of proceeds RM	After Pro Forma III and utilisation of proceeds RM
EQUITY AND LIABILITIES										
EQUITY										
Share capital	6.2 (a)	1	-	1	34,250,000	34,250,001	15,000,000	49,250,001	(1,266,400)	47,983,601
Invested capital	6.2 (b)	3,200,302	-	3,200,302	(3,200,302)	-	-	-	-	-
Reorganisation reserve	6.3	-	-	-	(31,049,705)	(31,049,705)	-	(31,049,705)	-	(31,049,705)
Foreign exchange translation reserve		(10,741)	-	(10,741)	-	(10,741)	-	(10,741)	-	(10,741)
Retained earnings	6.4	35,843,370	-	35,843,370	-	35,843,370	-	35,843,370	(2,533,600)	33,309,770
TOTAL EQUITY		<u>39,032,932</u>		<u>39,032,932</u>		<u>39,032,925</u>		<u>54,032,925</u>		<u>50,232,925</u>
NON-CURRENT LIABILITIES										
Lease liabilities		87,215	-	87,215	-	87,215	-	87,215	-	87,215
Hire purchase payables		37,808	-	37,808	-	37,808	-	37,808	-	37,808
Term loans	6.5	36,463,800	1,592,566	38,056,366	-	38,056,366	-	38,056,366	(1,272,505)	36,783,861
Deferred tax liabilities		126,647	-	126,647	-	126,647	-	126,647	-	126,647
		<u>36,715,470</u>		<u>38,308,036</u>		<u>38,308,036</u>		<u>38,308,036</u>		<u>37,035,531</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



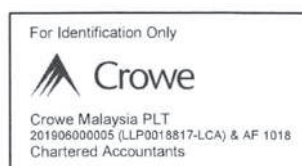
APPENDIX A

ECKEM HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONT'D)

	<u>Audited</u>		<u>Pro Forma I</u>		<u>Pro Forma II</u>		<u>Pro Forma III</u>		<u>Pro Forma IV</u>
	As At 31 December 2025 RM	Adjustment for Drawdown of Term Loans RM	After Adjustment for Drawdown of Term Loans RM	Adjustment for Acquisitions RM	After Pro Forma I and Acquisitions RM	Adjustment for Public Issue RM	After Pro Forma II and Public Issue RM	Adjustment for utilisation of proceeds RM	After Pro Forma III and utilisation of proceeds RM
Note									
CURRENT LIABILITIES									
Trade payables	4,226,154	-	4,226,154	-	4,226,154	-	4,226,154	-	4,226,154
Other payables and accruals	6.8 2,281,694	(1,592,566)	689,128	-	689,128	-	689,128	-	689,128
Lease liabilities	194,287	-	194,287	-	194,287	-	194,287	-	194,287
Hire purchase payables	41,868	-	41,868	-	41,868	-	41,868	-	41,868
Term loans	6.6 1,662,034	-	1,662,034	-	1,662,034	-	1,662,034	(177,495)	1,484,539
Current tax liabilities	102,237	-	102,237	-	102,237	-	102,237	-	102,237
	8,508,274		6,915,708		6,915,708		6,915,708		6,738,213
TOTAL LIABILITIES	45,223,744		45,223,744		45,223,744		45,223,744		43,773,744
TOTAL EQUITY AND LIABILITIES	84,256,676		84,256,676		84,256,669		99,256,669		94,006,669
Number of ordinary shares	3,200,101		3,200,101		500,000,000		625,000,000		625,000,000
Net assets per ordinary shares (RM)	12.20		12.20		0.08		0.09		0.08
Gearing ratio	0.98		1.02		1.02		0.74		0.76

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (*Cont'd*)



APPENDIX A

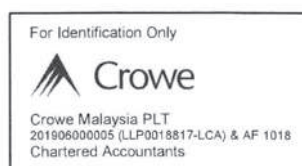
ECKEM HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

1. ABBREVIATIONS

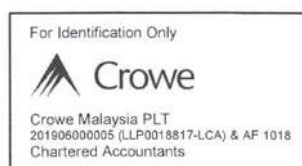
Unless the context otherwise requires, the following words and abbreviations shall apply throughout this report:

ACE Market	:	ACE Market of Bursa Securities
Acquisitions	:	Collectively, the Acquisition of Eckem, the Acquisition of Eckem JB, the Acquisition of Eckem Singapore, the Acquisition of Enrich Chemicals, the Acquisition of Entire Concept and the Acquisition of Novatex Product
Acquisition of Eckem	:	Acquisition by Eckem Holdings of the entire equity interest of Eckem from Tan Kwang Wah, Tan Khai Jeik and Sam Lai Yoong for a purchase consideration of RM25,572,420 which was wholly satisfied by the issuance of 373,319,999 new Shares at an issue price of RM0.0685 per share
Acquisition of Eckem JB	:	Acquisition by Eckem Holdings of the entire equity interest of Eckem JB from Tan Kwang Wah, Tan Khai Jeik and Sam Lai Yoong for a purchase consideration of RM510,325 which was wholly satisfied by the issuance of 7,450,000 new Shares at an issue price of RM0.0685 per share
Acquisition of Eckem Singapore	:	Acquisition by Eckem Holdings of the entire equity interest of Eckem Singapore from Tan Kwang Wah and Sam Lai Yoong for a purchase consideration of SGD2 which was wholly satisfied by cash
Acquisition of Enrich Chemicals	:	Acquisition by Eckem Holdings of the entire equity interest of Enrich Chemicals from Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn for a purchase consideration of RM768,570 which was wholly satisfied by the issuance of 11,220,000 new Shares at an issue price of RM0.0685 per share
Acquisition of Entire Concept	:	Acquisition by Eckem Holdings of the entire equity interest of Entire Concept from Tan Kwang Wah and Tan Khai Jeik for a purchase consideration of RM6,306,110 which was wholly satisfied by the issuance of 92,060,000 new Shares at an issue price of RM0.0685 per share
Acquisition of Novatex Product	:	Acquisition by Eckem Holdings of the entire equity interest of Novatex Product from Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar for a purchase consideration of RM1,092,575 which was wholly satisfied by the issuance of 15,950,000 new Shares at an issue price of RM0.0685 per share

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)**APPENDIX A****ECKEM HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025****1. ABBREVIATIONS (CONT'D)**

Act	:	Companies Act, 2016 as amended from time to time and any re-enactment thereof
BNM	:	Bank Negara Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Director(s)	:	An executive director or a non-executive director of the Company within the meaning of Section 2 of the Act
Eckem	:	Eckem Sdn Bhd (Registration No. 200701011072 (769075-D))
Eckem Holdings or the Company	:	Eckem Holdings Berhad (Registration No. 202401003252 (1549102-W))
Eckem JB	:	Eckem (JB) Sdn Bhd (Registration No. 200701031558 (789585-A))
Eckem Singapore	:	Eckem Pte Ltd (Registration No. 201533020K)
Eligible Directors	:	Collectively, the eligible Director(s) and employee(s) of Eckem Group who are eligible to participate in the Pink Form Allocations
Enrich Chemicals	:	Enrich Chemicals Sdn Bhd (Registration No. 202201040980 (1486677-X))
Entire Concept	:	Entire Concept Sdn Bhd (Registration No. 200101011306 (547062-T))
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	:	Issue/offer price of RM0.12 per Share pursuant to the Public Issue and the Offer for Sale
IPO Share(s)	:	Collectively, Issue Share(s) and Offer Share(s)
Issue Share(s)	:	New Shares to be issued by the Company pursuant to the Public Issue

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



APPENDIX A

ECKEM HOLDINGS BERHAD

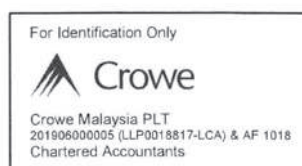
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

1. ABBREVIATIONS (CONT'D)

Listing	: Admission to the Official List and the listing of and quotation for the enlarged issued share capital of Eckem Holdings Shares on the ACE Market of Bursa Securities
Malaysian Public	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
MITI	: Ministry of Investment, Trade and Industry of Malaysia
NA	: Net assets
Novatex Product	: Novatex Product Sdn Bhd (Registration No. 202201011147 (1456844-V))
Offer for Sale	: Offer for sale of the Offer Shares by the Selling Shareholders at the IPO Price
Offer Share(s)	: 62,500,000 existing Share(s) to be offered under the Offer for Sale
Official List	: A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Pink Form Allocations	: Allocation of 31,250,000 Issue Shares to our Eligible Persons which forms part of our Public Issue
Prospectus	: Prospectus to be issued by the Company in relation to the IPO
Public Issue	: Public issue of 125,000,000 Issue Shares at IPO Price
RM and sen	: Ringgit Malaysia and sen, respectively the lawful currency of Malaysia

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)

ECKEM HOLDINGS BERHAD



APPENDIX A

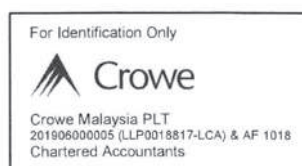
NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

1. ABBREVIATIONS (CONT'D)

Selling Shareholders	:	Collectively, Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong
SGD	:	Singapore Dollar
Share Transfer	:	Transfer by Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong of an aggregate of 426,631,999 Shares (representing 68.26% of the enlarged total number of Shares of Eckem Holdings upon IPO) to Trinity, an investment holding company held by Tan Kwang Wah, Tan Khai Jeik, Tan Khai Wen and Sam Lai Yoong during the prescribed period
Share(s) or Eckem Holdings Shares	:	Ordinary share(s) in the Company

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (*Cont'd*)

ECKEM HOLDINGS BERHAD



APPENDIX A

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

2. INTRODUCTION

The Pro Forma Combined Statements of Financial Position of the Group as at 31 December 2025 ("the Pro Forma Combined Statements of Financial Position") together with the notes thereon, for which the Board of Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus to be issued by the Company in connection with the IPO of 625,000,000 ordinary shares in conjunction with the listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities and should not be relied upon for any other purposes.

3. BASIS OF PREPARATION

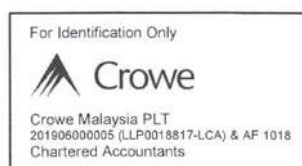
The Pro Forma Combined Statements of Financial Position are prepared based on the audited combined statements of financial position of the Group as at 31 December 2025, which are prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), and in a manner consistent with the format of the financial statements and accounting policies of the Group.

The Pro Forma Combined Statements of Financial Position together with the related notes thereon, are prepared solely to illustrate the impact of the events and transactions set out in Notes 4, 5 and 6 to the Pro Forma Combined Statements of Financial Position as at 31 December 2025 had the events occurred or transactions been undertaken as at 31 December 2025.

The Pro Forma Combined Statements of Financial Position are not necessary indicative of the financial position that would have been attained had the Listing actually occurred at the respective dates.

The financial statements used in the preparation of the Pro Forma Combined Statements of Financial Position as at 31 December 2025 are not subject to any audit qualification, modification or disclaimer of opinion.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



APPENDIX A

ECKEM HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

4. LISTING SCHEME

In conjunction with and as an integral part of the Listing, the Company had undertaken the following:

4.1 Acquisitions

(a) Acquisition of Eckem

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen to acquire the entire equity interest in Eckem comprising 1,000,000 ordinary shares for a purchase consideration of RM25,572,420 which was satisfied by the issuance of 373,319,999 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Wen at an issue price of RM0.0685 each.

The purchase consideration of RM25,572,420 for the Acquisition of Eckem was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Eckem as at 31 December 2024 of RM25,848,015.

(b) Acquisition of Entire Concept

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah and Tan Khai Jeik to acquire the entire equity interest in Entire Concept comprising 1,000,000 ordinary shares for a purchase consideration of RM6,306,110 which was satisfied by the issuance of 92,060,000 new Shares to Tan Kwang Wah and Tan Khai Jeik at an issue price of RM0.0685 each.

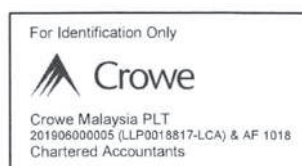
The purchase consideration of RM6,306,110 for the Acquisition of Entire Concept was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Entire Concept as at 31 December 2024 of RM6,373,870.

(c) Acquisition of Eckem JB

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik to acquire the entire equity interest in Eckem JB comprising 100,000 ordinary shares for a purchase consideration of RM510,325 which was satisfied by the issuance of 7,450,000 new Shares to Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik at an issue price of RM0.0685 each.

The purchase consideration of RM510,325 for the Acquisition of Eckem JB was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Eckem JB as at 31 December 2024 of RM515,982.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



APPENDIX A

ECKEM HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

4. LISTING SCHEME (CONT'D)

In conjunction with and as an integral part of the Listing, the Company had undertaken the following: (Cont'd)

4.1 Acquisitions (Cont'd)

(d) Acquisition of Enrich Chemicals

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn to acquire the entire equity interest in Enrich Chemicals comprising 500,000 ordinary shares for a purchase consideration of RM768,570 which was satisfied by the issuance of 11,220,000 new Shares to Tan Kwang Wah, Tan Khai Jeik and Tan Wei Hunn at an issue price of RM0.0685 each.

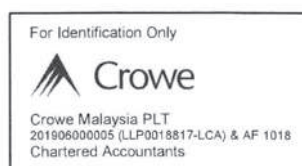
The purchase consideration of RM768,570 for the Acquisition of Enrich Chemicals was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Enrich Chemicals as at 31 December 2024 of RM776,945.

(e) Acquisition of Novatex Product

On 18 August 2025, Eckem Holdings entered into a conditional share sale agreement with Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar to acquire the entire equity interest in Novatex Product comprising 600,000 ordinary shares for a purchase consideration of RM1,092,575 which was satisfied by the issuance of 15,950,000 new Shares to Tan Kwang Wah, Tan Khai Wen, Tey Tai See and Mat Isa Bin Kahar at an issue price of RM0.0685 each.

The purchase consideration of RM1,092,575 for the Acquisition of Novatex Product was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Novatex Product as at 31 December 2024 of RM1,104,457.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



APPENDIX A

ECKEM HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

4. LISTING SCHEME (CONT'D)

In conjunction with and as an integral part of the Listing, the Company had undertaken the following: (Cont'd)

4.1 Acquisitions (Cont'd)

(f) Acquisition of Eckem Singapore

On 18 August 2025, Eckem Holdings entered into a conditional share purchase agreement with Tan Kwang Wah and Sam Lai Yoong to acquire the entire equity interest in Eckem Singapore comprising 100 ordinary shares for a purchase consideration of SGD2 which was fully satisfied in cash.

The purchase consideration of SGD2 for the Acquisition of Eckem Singapore was arrived at on a "willing-buyer willing-seller basis" after taking into consideration the audited net liability of Eckem Singapore as at 31 December 2024 of SGD6,656 equivalent to RM21,884 based on an exchange rate of SGD1.00: RM3.2878, being BNM's prevailing middle rate as at 5.00 p.m. on 31 December 2024.

The Acquisitions of Eckem, Entire Concept, Enrich Chemicals, Eckem JB and Novatex Product were completed on 31 March 2026.

The Acquisition of Eckem Singapore was completed on 20 March 2026.

4.2 IPO

(i) Public Issue

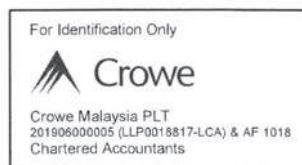
A total of 125,000,000 Issue Shares, representing 20.00% of the enlarged issued Shares of the Company are offered at the IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

31,250,000 Issue Shares, representing 5.00% of the enlarged issued Shares of the Company, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 15,625,000 Issue Shares, representing 2.50% of the enlarged issued Shares of the Company, made available to public investors; and
- (ii) 15,625,000 Issue Shares, representing 2.50% of the enlarged issued Shares of the Company, made available to Bumiputera public investors.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)



APPENDIX A

ECKEM HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

4. LISTING SCHEME (CONT'D)

In conjunction with and as an integral part of the Listing, the Company had undertaken the following: (Cont'd)

4.2 IPO (Cont'd)

(i) Public Issue (Cont'd)

(b) Eligible Persons

31,250,000 Issue Shares, representing 5.00% of the enlarged issued Shares of the Company, are reserved for the Eligible Persons under the Pink Form Allocations.

(c) Private placement to Bumiputera investors approved by MITI

15,625,000 Issue Shares, representing 2.50% of the enlarged issued Shares of the Company, are reserved for private placement to Bumiputera investors approved by MITI.

(d) Private placement to selected investors

46,875,000 Issue Shares, representing 7.50% of the enlarged issued Shares of the Company, are reserved for private placement to selected investors.

(ii) Offer for Sale

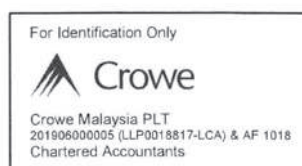
62,500,000 Offer Shares, representing 10.00% of the enlarged issued Shares of the Company, will be made available at the IPO Price by way of private placement to Bumiputera investors approved by MITI.

4.3 Listing on Bursa Securities

The admission to the Official List and the listing and quotation of the enlarged issued share capital of Eckem Holdings Shares of RM47,983,601 comprising 625,000,000 Shares on the ACE Market of Bursa Securities will be sought.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (*Cont'd*)

ECKEM HOLDINGS BERHAD



APPENDIX A

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

5. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

5.1 Pro Forma I

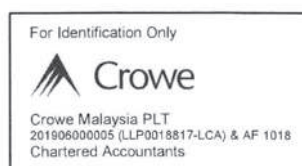
Pro Forma I incorporates the effects of drawdown of term loans in January 2026, which were used to settle progress payments to developers.

5.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Acquisitions as set out in Note 4.1 to the Pro Forma Combined Statements of Financial Position.

5.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the Public Issue as set out in Note 4.2(i) to the Pro Forma Combined Statements of Financial Position.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)**ECKEM HOLDINGS BERHAD****APPENDIX A****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025****5. PRO FORMA ADJUSTMENTS TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****5.4 Pro Forma IV**

Pro Forma IV incorporates the effects of Pro Forma III and the utilisation of proceeds from the Public Issue. The proceeds from Public Issue will be utilised as follows:-

Details of utilisation	RM'000	%	Estimated timeframe for utilisation from the date of Listing
Construction of new corporate office, warehouse and laboratory#	6,000	40.00	Within 36 months
Expansion of new production line for its rubber products#	2,000	13.33	Within 24 months
Repayment of bank borrowings	1,450	9.67	Within 12 months
Working capital@	1,750	11.67	Within 24 months
Estimated listing expenses*^	3,800	25.33	Within 1 month
Total	15,000	100.00	

Notes:-

As at latest practicable date of the Prospectus, the Group did not enter into any contractual binding arrangements in relation to the above purposes. Accordingly, the use of proceeds earmarked for these purposes are not reflected in the Pro Forma Combined Statements of Financial Position.

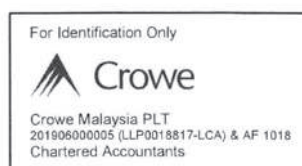
* If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

^ The estimated listing expenses of RM1,266,400 directly attributable to the Public Issue will be set off against share capital and the remaining estimated listing expenses of RM2,533,600 will be expensed off to profit or loss. As at 31 December 2025, the Group has paid RM2,276,254 of listing expenses of which has been recognised in the prepayment.

@ The utilisation of proceeds from working capital purpose are not adjusted in Pro Forma IV to the Pro Forma Combined Statements of Financial Position as they are not factually supportable and hence, they are remained in the cash and bank balances.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)

ECKEM HOLDINGS BERHAD



APPENDIX A

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
6. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION
6.1 Cash and bank balances

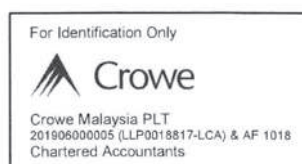
	Note	RM
As at 31 December 2025/Pro Forma I		8,209,573
Adjustment for Acquisitions:		
- Acquisition of Eckem Singapore	4.1	(7)
As per Pro Forma II		8,209,566
Add: Proceeds from Public Issue	4.2 (i)	15,000,000
As per Pro Forma III		23,209,566
Less: Utilisation of proceeds from Public Issue		
- Repayment of bank borrowings	5.4	(1,450,000)
- Payment of outstanding estimated listing expenses ^	5.4	(1,523,746)
As per Pro Forma IV		20,235,820

Note:-

^ RM2,276,254 of the estimated listing expenses have been paid by the Group.

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)

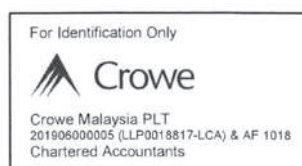
ECKEM HOLDINGS BERHAD



APPENDIX A

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
6. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
6.2 (a) Share capital

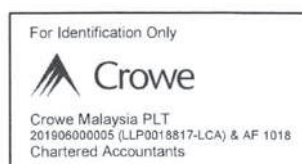
	Note	Number of Ordinary Shares	Amount of Share Capital RM
As at 31 December 2025/Pro Forma I		1	1
Adjustment for Acquisitions:			
- Acquisition of Eckem	4.1	373,319,999	25,572,420
- Acquisition of Entire Concept	4.1	92,060,000	6,306,110
- Acquisition of Eckem JB	4.1	7,450,000	510,325
- Acquisition of Enrich Chemicals	4.1	11,220,000	768,570
- Acquisition of Novatex Product	4.1	15,950,000	1,092,575
As per Pro Forma II		500,000,000	34,250,001
Add: Public Issue	4.2 (i)	125,000,000	15,000,000
As per Pro Forma III		625,000,000	49,250,001
Less: Estimated listing expenses	5.4	-	(1,266,400)
As per Pro Forma IV		625,000,000	47,983,601

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)**ECKEM HOLDINGS BERHAD****APPENDIX A****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025****6. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6.2 (b) Invested capital**

	Note	Number of Ordinary Shares	Amount of Share Capital RM
As at 31 December 2025/Pro Forma I		3,200,100	3,200,302
Adjustment for Acquisitions:			
- Acquisition of Eckem	4.1	(1,000,000)	(1,000,000)
- Acquisition of Entire Concept	4.1	(1,000,000)	(1,000,000)
- Acquisition of Eckem JB	4.1	(100,000)	(100,000)
- Acquisition of Enrich Chemicals	4.1	(500,000)	(500,000)
- Acquisition of Novatex Product	4.1	(600,000)	(600,000)
- Acquisition of Eckem Singapore	4.1	(100)	(302)
As per Pro Forma II/III/IV		-	-

6.3 Reorganisation Reserve

	Note	RM
As at 31 December 2025/Pro Forma I		-
Adjustment for Acquisitions:		
- Acquisition of Eckem	4.1	(25,572,420)
- Acquisition of Entire Concept	4.1	(6,306,110)
- Acquisition of Eckem JB	4.1	(510,325)
- Acquisition of Enrich Chemicals	4.1	(768,570)
- Acquisition of Novatex Product	4.1	(1,092,575)
- Acquisition of Eckem Singapore	4.1	(7)
- Adjustment on invested capital	4.1	3,200,302
As per Pro Forma II/III/IV		(31,049,705)

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)**APPENDIX A****ECKEM HOLDINGS BERHAD****NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025****6. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6.4 Retained profits**

	Note	RM
As at 31 December 2025/Pro Forma I/II/III		35,843,370
Less: Estimated listing expenses	5.4	(2,533,600)
As per Pro Forma IV		<u>33,309,770</u>

6.5 Term loans under non-current liabilities

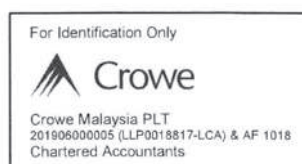
	Note	RM
As at 31 December 2025		36,463,800
Adjustment for drawdown of term loans	5.1	1,592,566
As per Pro Forma I/II/III		38,056,366
Less: Utilisation of proceeds from Public Issue - Repayment of bank borrowings	5.4	(1,272,505)
As per Pro Forma IV		<u>36,783,861</u>

6.6 Term loans under current liabilities

	Note	RM
As at 31 December 2025/Pro Forma I/II/III		1,662,034
Less: Utilisation of proceeds from Public Issue - Repayment of bank borrowings	5.4	(177,495)
As per Pro Forma IV		<u>1,484,539</u>

13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (Cont'd)

ECKEM HOLDINGS BERHAD



APPENDIX A

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
6. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
6.7 Other receivables, deposits and prepayment

	Note	RM
As at 31 December 2025/Pro Forma I/II/III		2,608,361
Less: Prepaid listing expenses	5.4	(2,276,254)
As per Pro Forma IV		<u>332,107</u>

6.8 Other payables and accruals

	Note	RM
As at 31 December 2025		2,281,694
Less: Adjustment for drawdown of term loans used to settle progress payments to developers	5.1	(1,592,566)
As per Pro Forma I/II/III/IV		<u>689,128</u>

**13. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENT OF FINANCIAL POSITION (*Cont'd*)**

APPENDIX A

ECKEM HOLDINGS BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Eckem Holdings Berhad in accordance with a resolution dated 6 May 2026.

On behalf of the Board of Directors,



Tan Kwang Wah



Tan Khai Jeik

14. STATUTORY AND OTHER INFORMATION**14.1 OUR SHARE CAPITAL**

As at the LPD, our issued share capital is RM34,250,001 comprising 500,000,000 Shares. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
22 January 2024	1	RM1/ Subscriber's share in cash	1
31 March 2026	373,319,999	RM25,572,420/ Allotment of shares pursuant to the Acquisition of Eckem	25,572,421
31 March 2026	7,450,000	RM510,325/ Allotment of shares pursuant to the Acquisition of Eckem JB	26,082,746
31 March 2026	11,220,000	RM768,570/ Allotment of shares pursuant to the Acquisition of Enrich Chemicals	26,851,316
31 March 2026	92,060,000	RM6,306,110/ Allotment of shares pursuant to the Acquisition of Entire Concept	33,157,426
31 March 2026	15,950,000	RM1,092,575/ Allotment of shares pursuant to the Acquisition of Novatex Product	34,250,001

As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another and we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM47,983,601 comprising 625,000,000 Shares.

Save for the Pink Form Allocations as disclosed in Section 4.3.3 of this Prospectus,

- (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
- (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

14. STATUTORY AND OTHER INFORMATION (Cont'd)

Save for the issuance of our subscriber's share upon our incorporation, new Shares issued and to be issued for the Acquisition of Eckem, Acquisition of Eckem JB, Acquisition of Enrich Chemicals, Acquisition of Entire Concept, Acquisition of Novatex Product and Public Issue, and issuance of shares in our subsidiaries as disclosed under Section 14.2 of this Prospectus, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus. Other than our Public Issue as disclosed in Section 4.3 of this Prospectus, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

14.2 SHARE CAPITAL OF OUR SUBSIDIARIES**14.2.1 Eckem**

As at the LPD, Eckem's share capital is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
11 April 2007	1,000	RM1,000/ Subscribers' shares in cash	1,000
18 June 2007	499,000	RM499,000/ Allotment of shares in cash	500,000
1 July 2008	500,000	RM500,000/ Allotment of shares in cash	1,000,000

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

Eckem is our wholly owned subsidiary. The directors of Eckem are Tan Kwang Wah, Sam Lai Yoong, Tan Khai Jeik and Tan Khai Wen.

As at the LPD, Eckem does not have any subsidiary and/or associated company.

14.2.2 Eckem JB

As at the LPD, Eckem JB's share capital is RM100,000 comprising 100,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
25 September 2007	1,000	RM1,000/ Subscribers' shares in cash	1,000
15 May 2009	99,000	RM99,000/ Allotment of shares in cash	100,000

14. STATUTORY AND OTHER INFORMATION (Cont'd)

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

Eckem JB is our wholly owned subsidiary. The directors of Eckem JB are Tan Kwang Wah, Sam Lai Yoong and Tan Khai Jeik.

As at the LPD, Eckem JB does not have any subsidiary and/or associated company.

14.2.3 Eckem Singapore

As at the LPD, Eckem Singapore's share capital is SGD100 comprising 100 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital SGD
27 August 2015	100	SGD100/ Subscribers' shares in cash	100

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

Eckem Singapore is our wholly owned subsidiary. The directors of Eckem Singapore are Tan Kwang Wah, Sam Lai Yoong, Lau Bik Huat and Tan Khai Jeik.

As at the LPD, Eckem Singapore does not have any subsidiary and/or associated company.

14.2.4 Enrich Chemicals

As at the LPD, Enrich Chemicals' share capital is RM500,000 comprising 500,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
3 November 2022	10	RM10/ Subscribers' shares in cash	10
7 March 2023	499,990	RM499,990/ Allotment of shares in cash	500,000

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

Enrich Chemicals is our wholly owned subsidiary. The directors of Enrich Chemicals are Tan Kwang Wah, Tan Wei Hunn and Tan Khai Jeik.

As at the LPD, Enrich Chemicals does not have any subsidiary and/or associated company.

14. STATUTORY AND OTHER INFORMATION (Cont'd)**14.2.5 Entire Concept**

As at the LPD, Entire Concept's share capital is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
9 May 2001	2	RM2/ Subscribers' shares in cash	2
16 July 2002	299,998	RM299,998/ Allotment of shares in cash	300,000
14 July 2016	700,000	RM700,000/ Allotment of shares in cash	1,000,000

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

Entire Concept is our wholly owned subsidiary. The directors of Entire Concept are Tan Kwang Wah, Tan Khai Wen and Tan Khai Jeik.

As at the LPD, Entire Concept does not have any subsidiary and/or associated company.

14.2.6 Novatex Product

As at the LPD, Novatex Product's share capital is RM600,000 comprising 600,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Types of issue	Cumulative share capital RM
28 March 2022	10	RM10/ Subscribers' shares in cash	10
25 June 2024	10,096	RM10,096/ Allotment of shares in cash	10,106
25 June 2024	589,894	RM589,894/ Allotment of shares otherwise than cash	600,000

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

Novatex Product is our wholly owned subsidiary. The directors of Novatex Product are Tan Kwang Wah, Tan Khai Wen, Tey Tai See, Ng Leong Fock and Mat Isa Bin Kahar.

As at the LPD, Novatex Product does not have any subsidiary and/or associated company.

14. STATUTORY AND OTHER INFORMATION *(Cont'd)*

14.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires. The following provisions extracted from our Constitution are based on the current Listing Requirements and the Act.

14.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 9 - Share capital

The share capital of the Company is its issued share capital which shall be in Ringgit Malaysia. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto, respectively, any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

Clause 12 - Power to issue preference shares

The Company shall have power to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit.

Clause 13 - Rights of preference shareholders

13(1) Save as otherwise specifically provided for under the Constitution in respect of any particular class of preference shares and subject to the Act, preference shareholders shall have the same right as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company.

13(2) Save as otherwise specifically provided for under the Constitution in respect of any particular class of preference share, preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital of the Company or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than 6 months or on a proposal to wind-up the Company or during the winding up of the Company, but shall have no other rights whatsoever.

13(3) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Clause 17 - Shares issued for purposes of raising money for the construction of works or building

Subject to Section 130 of the Act and any other conditions and restrictions prescribed by the Act, if any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and may charge the sum so paid by way of interest to capital as part of the costs of construction of the work or building or the provision of plant or equipment.

14. STATUTORY AND OTHER INFORMATION (Cont'd)**Clause 20 - Trust not to be recognised**

Except as required by law and as provided under the Depository Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Clause 21 - Issue of securities

Subject to the provisions of the Constitution and Listing Requirements, and notwithstanding the existence of a resolution pursuant to Section 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue.

Clause 25 - Modification of rights

If at any time the share capital of the Company, by reason of the issuance of preference shares or otherwise is divided into different classes, the repayment of such preferred capital or all or any of the rights and privileges attached to each class of shares may subject to the provisions of Section 91 of the Act, the Constitution and the provisions of any written law, be varied, modified, commuted, affected, abrogated or dealt with by resolution passed by the holders of at least three-fourths of the issued shares of that class at a separate meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be 2 persons at least holding or representing by proxy one third of the issued shares of the class and for an adjourned meeting 1 person holding shares of such class.

Provided however that in the event of the necessary majority for such a resolution not having been obtained in the manner aforesaid consent in writing may be secured by members holding at least three-fourths of the issued shares of the class and such consent if obtained within 2 months from the date of the separate meeting shall have the force and validity of a resolution duly carried. To every such resolution the provisions of Section 91 of the Act, shall with such adaptations as are necessary apply.

Clause 26 - Special right to any class of share

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto, the Company purchasing its own shares and the Company redeeming redeemable preference shares.

Clause 60 - Increase of share capital

The Company may, from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 61 - Issue of new shares to existing members

In accordance with Rule 7.08 of the Listing Requirements, subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

Clause 62 - Alteration of share capital

Subject to the Statutes, the Company may from time to time alter its share capital by passing a special resolution to:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares;
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (d) cancel any shares, which at the date of the passing of the resolution, which have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (e) subject to the provisions of the Constitution and the Act, convert and/or reclassify any class of shares into any other class of shares.

Clause 63 - Capital reduction

The Company may by special resolution, reduce its share capital in accordance with Section 115 of the Act.

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

14.3.2 Borrowing and voting powers of the Directors

The provisions in the Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

Clause 120 - Directors' borrowing powers

120(1) To the extent that the Act, the Listing Requirements and the Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party, PROVIDED ALWAYS that nothing contained in the Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided also that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.

120(2) The Directors shall cause a proper register to be kept in accordance with Section 60 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.

120(3) Subject to the Act, if the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors, or persons so becoming liable as aforesaid, from any loss in respect of such liability.

Clause 132 - Proceedings of meeting

A meeting of the Directors, for the time being at which a quorum is present, shall be competent to exercise all or any of the powers, authorities and discretion by or under the Constitution, vested in or exercisable by the Directors generally. Subject to the Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes.

Clause 133 - Chairman has casting vote

In case of equality of votes, the Chairman shall have a second or casting vote, except where only 2 Directors are competent to vote on the question at issue, or at the meeting where only 2 Directors form the quorum.

Clause 137 - Disclosure of interest in contracts, property, offices, etc

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company. This clause is subject to the Listing Requirements.

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

Clause 138 - Directors refrained from voting in interested transactions

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested, either as an officer of that other company or as a holder of shares or other securities in that other company.

Clause 140 - Director may vote on the giving of security or indemnity where he is interested

Subject to Clause 137, a Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

By an ordinary resolution of the Company, the provisions of this Clause may at any time be suspended or relaxed to any extent and, either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause, may be ratified.

14.3.3 Remuneration of Directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Clause 115 - Remuneration of Directors

The fees and any benefits payable to the Directors from time to time, be subject to annual shareholder approval at general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, except that any Director, who shall hold office for part only of the period in respect of which such fees are payable, shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors shall not include a commission on or percentage of turnover;
- (c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of that Director.

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

Clause 116 - Reimbursement and special remuneration

- 116(1) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise, howsoever, in or about the business of the Company in the course of the performance of their duties as Directors.
- 116(2) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular, without limiting to the generality of the foregoing, if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

14.3.4 Transfer of shares

The provisions in our Constitution dealing with transfer of shares are as follows:

Clause 49 - Transfer of securities

The transfer of any listed securities or class of listed securities in the Company shall be by way of book entry by the Depository in accordance with the Depository Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed security.

Clause 50 - Instrument of transfer

- 50(1) Every instrument of transfer (for any share not being a Deposited Security) must be left for registration at the office of the Company's Registrar accompanied by the certificate of the shares comprised therein (if any) and such evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer and the due execution by him of the instrument of transfer which is executed in accordance with the Statutes, and subject to the power vested in the Directors by the Constitution or the provisions of any other written law and if required, to reasonable evidence of nationality, the Company shall register the transferee as shareholder.
- 50(2) A fee not exceeding RM3.00 (excluding the stamp duty) or any amount as shall be determined from time to time by the Exchange may be charged for each transfer and shall if required by the Directors be paid before the registration thereof.

Clause 51 - Person under disability

No share shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

Clause 52 - Refusal to transfer and notice of refusal

52(1) Subject to Section 106 and any other relevant provisions of the Act, the Directors may refuse or delay to register the transfer of a share, not being a Deposited Security, to a person of whom they shall not approve.

52(2) If the Directors passed a resolution to refuse or delay the registration of a transfer, they shall, within 7 days of the resolution being passed, give to the lodging broker, transferor and the transferee written notice of the resolution setting out the precise reasons thereof.

Clause 53 - Non-liability of the Company, its Directors and officers in respect of transfer

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

14.4 GENERAL INFORMATION

- (a) Save for the dividends paid to the shareholders of our subsidiaries as disclosed in Section 11.7 of this Prospectus, purchase consideration paid for the Acquisitions as disclosed in Section 6.1.3 of this Prospectus and Directors' remuneration as disclosed in Section 5.5.1 of this Prospectus, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.
- (b) Save as disclosed in Section 9.1 of this Prospectus, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 15 of this Prospectus.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

14. STATUTORY AND OTHER INFORMATION (*Cont'd*)

14.5 CONSENTS

- (a) The written consents of the Principal Adviser, Sponsor, Underwriter, Placement Agent, Solicitors for our Listing in respect of the laws of Malaysia, Solicitors for our Listing in respect of the laws of Singapore, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report of Eckem Holdings and the Reporting Accountants' report on the pro forma combined statement of financial position in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

14.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution;
- (b) Audited financial statements for:
 - (i) our Company for the financial period from 22 January 2024 (date of incorporation) to 31 December 2024 and FYE 2025;
 - (ii) Eckem for the financial period from 1 September 2021 to 31 December 2022, FYE 2023, FYE 2024 and FYE 2025;
 - (iii) Eckem JB, Entire Concept for FYE 2022, FYE 2023, FYE 2024 and FYE 2025;
 - (iv) Eckem Singapore for FYE 2022, FYE 2023, FYE 2024 and FYE 2025;
 - (v) Enrich Chemicals for the financial period from 3 November 2022 (date of incorporation) to 31 December 2023, FYE 2024 and FYE 2025; and
 - (vi) Novatex Product for the financial period from 28 March 2022 (date of incorporation) to 31 December 2022, FYE 2023, FYE 2024 and FYE 2025.
- (c) Accountants' Report as set out in Section 12 of this Prospectus;
- (d) Reporting Accountants' report on the pro forma combined statements of financial position as set out in Section 13 of this Prospectus;
- (e) IMR Report as set out in Section 7 of this Prospectus;
- (f) Material contracts as set out in Section 6.7 of this Prospectus; and

14. STATUTORY AND OTHER INFORMATION *(Cont'd)*

(g) Letters of consent as set out in Section 14.5 of this Prospectus.

14.7 RESPONSIBILITY STATEMENTS

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

M & A Securities 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.

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15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 25 May 2026

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 19 June 2026

In the event of any changes to the date or time for closing, we will make an announcement on Bursa Securities' website and advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application method
Applications by our eligible Directors and employees of our Group	• Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	• White Application Form; or • Electronic Share Application; or • Internet Share Application
(b) Non-Individuals	• White Application Form only

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**15.2.2 Placement**

Types of Application	Application method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

15.3 ELIGIBILITY**15.3.1 General**

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities. **The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital,

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

- (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form; or
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Issue Shares. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.12 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 824"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd

(Registration No.: 197101000970 (11324-H))

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

- (b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

so as to arrive not later than 5.00 p.m. on 19 June 2026 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad or Participating Securities Firms, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFast Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd (formerly known UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (a) reject Applications which:
 - (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (ii) are illegible, incomplete or inaccurate; or

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) are accompanied by an improperly drawn up or improper form of remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDERSUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://srmy.vistra.com> within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have at least 25.00% of our total number of Shares for which listing is sought to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our admission to the Official List and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

In the event of any undersubscription of the IPO Shares, subject to the clawback and reallocation provisions set out Section 4.3.4 of this Prospectus, any of the aforementioned Issue Shares not applied for will then be subscribed by the Underwriter subject to the terms and conditions of the Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

15.9.1 For applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).
- (d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

15.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) or Participating Securities Firms within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution or Participating Securities Firms will be informed of the unsuccessful or partially

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Depository Rules.
- (d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://srmy.vistra.com>, **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS

As at the LPD, save as disclosed below, there are no other major approvals, licenses and permits issued to our Group in order to carry out our operations:

No.	Company	Issuing authority	Validity period	License/ Reference/ Certificate No.	Description of approval/license/permit/ certificate	Equity and/or major conditions imposed	Compliance status
1.	Eckem	Shah Alam City Council	15 December 2025 to 14 December 2026	L031111320140005 – (LSMT)	Business premise license for chemicals (sale/service), management office, chemicals (wholesale/store) and advertisement license for Property No. 3.	Nil	N/A
2.	Eckem	Shah Alam City Council	1 January 2026 to 31 December 2026	031011320070007	Business premise license for warehouse (sale/service) and warehouse (wholesale/store) for Property No. 17.	Nil	N/A
3.	Eckem JB	Shah Alam City Council	1 June 2025 to 31 May 2026 ⁽¹⁾	L031125420250016	Business premise license for trading (wholesaler/distributor) and office for Property No. 17.	Nil	N/A
4.	Entire Concept	Shah Alam City Council	15 January 2026 to 14 January 2027	L031111320250001	Business premise license for trading (wholesaler/distributor), management office and advertisement license for Property No. 19.	Nil	N/A
5.	Enrich Chemicals	Shah Alam City Council	1 August 2025 to 31 July 2026 ⁽²⁾	L031114420250004	Business premise license for management office, chemicals (sale/service), chemicals (wholesale/store) for Property No. 3.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
6.	Novatex Product	Selayang Municipal Council	1 January 2026 to 31 December 2026	202600012855	Business premise license for management office, rubber materials @ black rubber (selling/providing services) (packaging equipment for making rubber products), rubber materials @ black rubber (making/processing) (factory for making rubber products), rubber materials @ black rubber (wholesale/storage) (stores equipment for making rubber products) and advertisement license for Property No. 13.	(a) Every license issued by the Selayang Municipal Council will expire on 31 December every year and must be renewed before or on that date. A late processing fee of 10% of the license amount will be charged for payments made after 31st December. (b) Premises licenses must be displayed in an easily visible place to facilitate compliance with the licensing conditions by the Selayang Municipal Council. (c) Each premise in an industrial area that has industrial waste must appoint a qualified company or one that is registered with the Selayang Municipal Council.	Noted and complied Complied Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/ Reference/ Certificate No.	Description of approval/license/permit/ certificate	Equity conditions imposed	and/or major	Compliance status
7.	Eckem	Selangor State Health Department, MOH	1 January 2026 to 31 December 2026	016540	Wholesaler's poisons license (Type B license) granted to Tan Khai Wen of Eckem to import, store and sell by wholesale the following poisons (not being Group A poison): (i) Bismuth; its salts (Group D only) (ii) Deanol; its salts (Group D only) (iii) Ethyl Ether (Part II only) (iv) Formaldehyde (5% and over as HCHO) (v) Piperidine	(a)	The license may be granted only for one set of premises, being Property No. 3.	Complied
						(b)	The licensee is not engaged or concerned in any business off selling goods by retail.	Complied
8.	Novatex Product	MIDA	From 13 September 2024	MIDA.011.600-4/2/59	Exemption from manufacturing license for the manufacturing of dental rubber dam, prophylactic (oral) dam, latex sheet and exercise band by Novatex Product at Property No. 13.	Nil		N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
9.	Novatex Product	MDA, MOH	11 September 2023 to 10 September 2028	GA2844723-147263	Medical device registration certificate granted to Novatex Product by the MDA under the MOH to confirm that its medical device details as follows are registered under Section 5(1) of the MDA 2012: Medical device name : Dental dam or dental rubber dam Brand : Nova Dam Class : Class A Group : Family Category : Single-use devices (i) Identifier - DD0505: NOVADAM Dental Dam/Dental Rubber Dam, is a device made of natural latex, used by dentists to cover oral cavity/month, to provide both barrier protection and contain spill over of saliva and other liquids primarily from the patient during	(a) Advertising of medical device shall not contain any statement, whether directly or indirectly that the use of that medical device is suggested, promoted or endorsed by the MDA or another related party. (b) Intended purpose of medical device shall be clearly stated in the advertisement of products, including brochures, pamphlets, and etc., and shall not refer to any 20 types of diseases that cannot be advertised as prescribed in Section 3(1) of the Medicines (Advertisement and Sale) Act 1956. (c) Any amendments to the information concerning registered medical devices shall be notified to the MDA	Complied Complied Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
					the oral endodontic procedures. This DD0505 having dimension of 5"X5" (127mm x 127mm), thickness in light, medium and heavy. Product colour could be in natural, blue, green, yellow, black etc. Product scent could be in unscented, mint, vanilla, banana turri fruitti etc.	in accordance with the guidelines set by the MDA. The MDA reserves the right to grant approval or reject the application for such amendments.	
					(ii) Identifier - DD0606: NOVADAM Dental Dam/Dental Rubber Dam, is a device made of natural latex, used by dentists to cover oral cavity/month, to provide both barrier protection and contain spill over of saliva and other liquids primarily from the patient during the oral endodontic procedures. This DD0606 having		

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
					dimension of 6"X6" (153mm x 153mm), thickness in light, medium and heavy. Product colour could be in natural, blue, green, yellow, black etc. Product scent could be in unscented, mint, vanilla, banana turri frutti etc. (iii) Identifier - DD0610: NOVADAM Dental Dam/Dental Rubber Dam, is a device made of natural latex, used by dentists to cover oral cavity/month, to provide both barrier protection and contain spill over of saliva and other liquids primarily from the patient during the oral endodontic procedures. This DD0610 having dimensions of 6"X10" (153mm x 254mm), thickness in light,		

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/ Reference/ Certificate No.	Description of approval/license/permit/ certificate	Equity and/or major conditions imposed	Compliance status
					medium and heavy. Product colour could be in natural, blue, green, yellow, black etc. Product scent could be in unscented, mint, vanilla, banana turri frutti etc.		
10.	Novatex Product	MDA, MOH	17 November 2023 to 16 November 2028	GA6711923-153279	Medical device registration certificate granted to Novatex Product by the MDA under the MOH to confirm that its medical device details as follows are registered under Section 5(1) of the MDA 2012: Medical Device Name : Dental Dam or Dental Rubber Dam Brand : Novadam V Class : Class A Group : Family Category : Single-Use Devices (i) Identifier - V (Regular): NOVADAM V (Regular) is a dental dam/dental	(a) Advertising of medical device shall not contain any statement, whether directly or indirectly that the use of that medical device is suggested, promoted or endorsed by the MDA or another related party. (b) Intended purpose of medical device shall be clearly stated in the advertisement of products, including brochures, pamphlets, and etc., and shall not refer to any 20 types of diseases that cannot be advertised as prescribed in Section	Complied Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
					rubber dam made of natural latex, used by dentists to cover oral cavity/month, to provide both barrier protection and contain spill over of saliva and other liquids primarily from the patient during the oral endodontic procedures. This V (Regular) having anatomically shape with diameter of 83mm. Product colour could be in natural, blue, green, yellow, black etc. Product scent could be in unscented, mint, vanilla, banana turri fruitti etc. (ii) Identifier - V (Small): NOVADAM V (Small) is a dental dam/dental rubber dam made of natural latex, used by dentists to cover oral cavity/month, to	3(1) of the Medicines (Advertisement and Sale) Act 1956. (c) Any amendments to the information concerning registered medical devices shall be notified to the MDA in accordance with the guidelines set by the MDA. The MDA reserves the right to grant approval or reject the application for such amendments.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
					provide both barrier protection and contain spill over of saliva and other liquids primarily from the patient during the oral endodontic procedures. This V (Small) having anatomically shape with diameter of 77mm. Product colour could be in natural, blue, green, yellow, black etc. Product scent could be in unscented, mint, vanilla, banana turri fruitti etc.		
11.	Novatex Product	MDA, MOH	18 June 2023 to 17 June 2026	MDA-4686-K123	Establishment license granted to Novatex Product as the manufacturer and the person responsible is Ng Leong Fock by the MDA to certify that Novatex Product can import, export or place in the market any registered medical device in accordance with Section 15(1) of the MDA 2012.	(a) Licensee may apply for renewal of establishment license not later than 90 days prior to expiry of license. (b) The licensee shall not import, export and place in market an unauthorised medical device from the	Novatex Product is in the midst of renewing the license. Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/ Reference/ Certificate No.	Description of approval/license/permit/ certificate	Equity and/or major conditions imposed	Compliance status
						manufacturer or the authorised representative.	
						(c) Any changes or amendments to the information concerning license shall be notified to the MDA.	Noted
						(d) The validity period of the license certificate is subject to the validity period and conditions of the Quality Management System certificate issued by the Conformity Assessment Body (CAB).	Noted
						(e) Any authorised representative who intends to take over the registration of a medical device previously registered by the authorised representative, shall obtain consent to change the registration	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
						holder from the previous authorised representative.	
12.	Novatex Product	TUV Nord (Malaysia) Sdn Bhd, as approved by the MDA	8 May 2026 to 7 May 2029	221 26001	Quality management system certificate issued by TUV Nord (Malaysia) Sdn Bhd on Novatex Product's compliance with ISO 13485:2016/MS ISO 13485:2017 (Medical Devices Quality Management System)	Nil	N/A
13.	Novatex Product	TÜV UK Ltd, as approved by UKAS Management Systems	21 March 2026 to 20 March 2029	GB02273	Quality management system certificate issued by TÜV UK Ltd on Novatex Product's compliance with BS EN ISO 9001:2015 (Quality Management System)	Nil	N/A
14.	Novatex Product	Malaysian Rubber Board	4 May 2026 to 3 May 2027	B/01/17500	License granted to Novatex Product by the Malaysian Rubber Board under the Ministry of Plantation and Commodities for manufacturing of rubber products which allows the licensee to buy and store rubber for manufacturing purposes under Regulation 5(1) of the MRBR 2014.	(a) Buying rubber from license holders only. (b) Prohibited from selling unscheduled rubber waste to rubber traders and Standard Malaysian Rubber (SMR) manufacturers.	Complied Complied

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
15.	Eckem	FRDM	24 June 2025 to 23 June 2026 ⁽³⁾	JBPM:SL 7/1584/2025	– Fire certificate granted to Eckem by the FRDM certifying that Property No. 8, as a designated premise, has complied with the requirements relating to fire-fighting equipment of fire safety installation, that a fire safety organisation has been established and that a fire and emergency response plan and a fire safety report has been prepared.	Nil	N/A
16.	Eckem	Shah Alam City Council	6 November 2025 to 5 November 2028	P202520059769	Temporary building permit issued to Eckem to build a temporary partition wall, open and closed shed to an existing 2-storey twin factory at Property No. 3.	(a) The temporary building permit should be renewed 3 months before the expiration date for that year.	Noted
17.	Entire Concept	Shah Alam City Council	11 November 2025 to 10 November 2028	P202520069751	Temporary building permit issued to Entire Concept to build a temporary building partition, shed and break the party wall to 2-storey terrace factory units existing at Property No. 17 and Property No. 19.	(a) The temporary building permit should be renewed 3 months before the expiration date for that year.	Noted

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (Cont'd)

No.	Company	Issuing authority	Validity period	License/Reference/Certificate No.	Description of approval/license/permit/certificate	Equity and/or major conditions imposed	Compliance status
18.	Novatex Product	KPDN	31 July 2025 to 30 July 2026	PBKB/2025/B/B-000964 ⁽⁴⁾	Scheduled Controlled Goods Permit for the purchase and storage of liquefied petroleum gas (50 kg cylinder) at Property No. 13 up to 400 kg only.	(a) The permit holder shall comply with the description of the permitted scheduled controlled goods. (b) The permit holder shall store scheduled controlled goods at the permitted address only. (c) The permit holder shall store or have in possession scheduled controlled goods not exceeding the permitted quantity.	Complied Complied Complied
19.	Novatex Product	Selayang Municipal Council	1 January 2026 to 31 December 2026	PT-3456	Temporary building permit issued to Novatex Product for a covered roof at Property No. 13.	Nil	N/A

APPENDIX I – MAJOR APPROVALS, LICENSES AND PERMITS (*Cont'd*)

Notes:

N/A Not applicable

Nil Nothing

- (1) Despite the existing license remains valid, Eckem JB has obtained the renewed business premise license for Property No. 17 with the validity period from 1 June 2026 to 31 May 2027.
- (2) We intend to submit the application for the renewal of the business premise license of Enrich Chemicals for Property No. 3 by 30 June 2026.
- (3) We intend to submit the application for the renewal of the fire certificate of Eckem for Property No. 8 by 23 May 2026, which is not less than 30 days before the expiry of the said fire certificate, in accordance with the Fire Services (Fire Certificate) Regulations 2001.
- (4) We intend to submit the application for the renewal of the Scheduled Controlled Goods Permit for the purchase and storage of liquefied petroleum gas for Novatex Product at Property No. 13 by 30 June 2026.

The above major approvals, licenses and permits issued to our Group are required by the respective governmental authorities and/or regulatory bodies for the operation and business of our Group. In addition, Eckem Singapore does not require a business license, as it does not maintain a physical premise in Singapore. Its registered office in Singapore serves solely as a legal address to facilitate the trading of specialty industrial chemical products.

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