

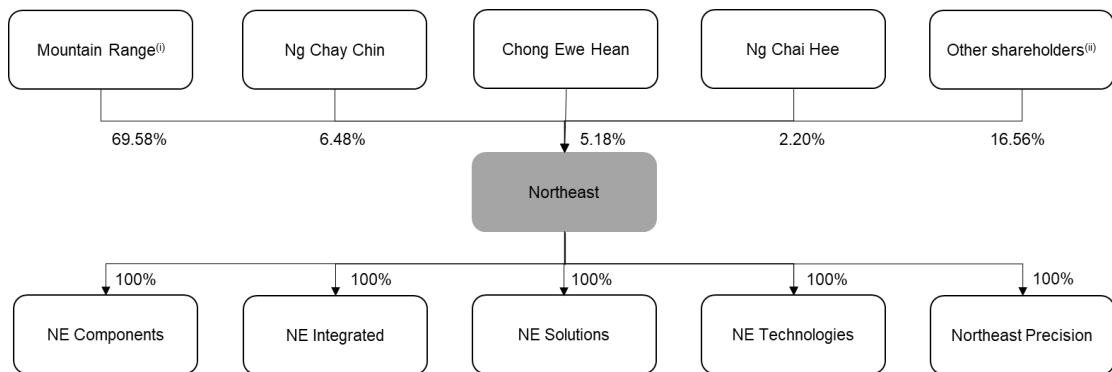
5. INFORMATION ON OUR GROUP

5.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 18 July 2022 as a private company limited by shares under the name of Northeast Group Sdn Bhd. On 5 January 2024, we completed the Acquisitions which resulted in NE Components, NE Integrated, NE Solutions, NE Technologies and Northeast Precision becoming our wholly-owned subsidiaries. Subsequently, on 10 January 2024, our Company was converted to a public limited company to facilitate our Listing and assumed our current name.

We are an investment holding company. Through our subsidiaries, we are principally involved in the manufacturing of precision engineering components used in the photonics, E&E, semiconductor, telecommunication and optoelectronics industries. Precision engineering components are parts that are precisely machined in exact and accurate dimensions (i.e. tolerances for variation of up to a single-digit micron range) to be further processed and/or assembled to form end-products by our customers.

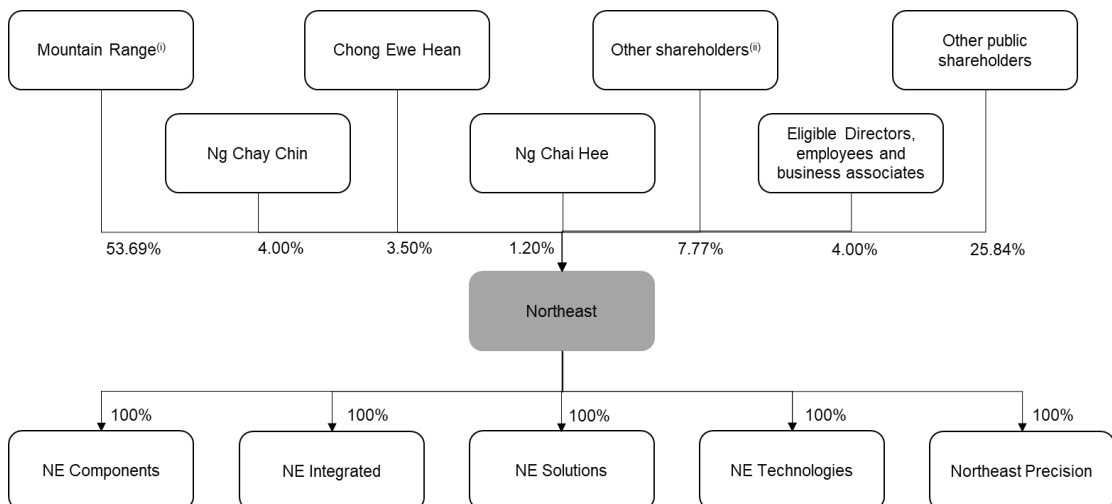
As at the LPD, our group structure is as follows:



Notes:

- (i) Mountain Range is owned by Ng Chay Chin (45.30%), Chong Ewe Hean (26.70%), Ng Meng Hang (13.50%), Tang Ah Lek (8.70%), Yin Thien Hee (3.20%) and Ng Chai Hee (2.60%).
- (ii) Consists of 4 shareholders, namely Ng Meng Hang (6.61%), Tang Ah Lek (6.09%), Yin Thien Hee (2.20%) and Huang HongHui (1.65%).

Upon Listing, our group structure will be as follows:



5. INFORMATION ON OUR GROUP (CONT'D)

Notes:

- (i) Mountain Range is owned by Ng Chay Chin (45.30%), Chong Ewe Hean (26.70%), Ng Meng Hang (13.50%), Tang Ah Lek (8.70%), Yin Thien Hee (3.20%) and Ng Chai Hee (2.60%).
- (ii) Consists of 4 shareholders, namely Ng Meng Hang (2.50%), Tang Ah Lek (3.00%), Yin Thien Hee (1.00%) and Huang HongHui (1.27%).

Please refer to Section 5.2 of this Prospectus for further details on our subsidiaries.

5.1.1 Acquisitions

In conjunction with, and as an integral part of our Listing, the details of the Acquisitions are as follows:

(i) Acquisition of NE Components

On 5 January 2024, our Company acquired the entire issued share capital in NE Components comprising 500,000 ordinary shares from the vendors for a purchase consideration of RM31,630,700. The purchase consideration was wholly satisfied via the issuance of 126,522,800 new Shares at an issue price of RM0.25 per Share to the following vendors (who then novated a portion of their Shares to a holding company, Mountain Range):

Vendors	Shareholding in NE Components		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
Ng Chay Chin	175,000	35.00	11,070,745.00	⁽ⁱ⁾ 1,137,937
Chong Ewe Hean	87,500	17.50	5,535,372.50	⁽ⁱ⁾ 964,418
Ng Meng Hang	87,500	17.50	5,535,372.50	⁽ⁱ⁾ 4,857,464
Yin Thien Hee	100,000	20.00	6,326,140.00	⁽ⁱ⁾ 12,580,000
Ng Chai Hee	50,000	10.00	3,163,070.00	⁽ⁱ⁾ 2,185,216
Mountain Range	-	-	-	⁽ⁱ⁾ 104,797,765
Total	500,000	100.00	31,630,700	126,522,800

Note:

- (i) The following vendors novated a total of 104,797,765 new Shares, issued to them pursuant to the Acquisition of NE Components, to Mountain Range as follows:

	No. of new Shares novated to Mountain Range
Ng Chay Chin	43,145,043
Chong Ewe Hean	21,177,072
Ng Meng Hang	17,284,026
Yin Thien Hee	12,724,560
Ng Chai Hee	10,467,064
Total	104,797,765

5. INFORMATION ON OUR GROUP (CONT'D)

The purchase consideration of NE Components of RM31,630,700 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of NE Components as at 30 September 2023 of RM31,630,734. The Acquisition of NE Components was completed on 5 January 2024 and thereafter, NE Components has become a wholly-owned subsidiary of Northeast.

(ii) Acquisition of NE Integrated

On 5 January 2024, our Company acquired the entire issued share capital in NE Integrated comprising 1,000,000 ordinary shares from the vendors for a purchase consideration of RM19,602,900. The purchase consideration was wholly satisfied via the issuance of 78,411,600 new Shares at an issue price of RM0.25 per Share to the following vendors (several of whom then novated a portion of their Shares to a holding company, Mountain Range):

	Shareholding in NE Integrated		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
Ng Chay Chin	720,000	72.00	14,114,088	⁽ⁱ⁾ 2,525,048
Chong Ewe Hean	120,000	12.00	2,352,348	⁽ⁱ⁾ 1,997,417
Ng Chai Hee	40,000	4.00	784,116	3,136,464
Huang HongHui	120,000	12.00	2,352,348	9,409,392
Mountain Range	-	-	-	⁽ⁱ⁾ 61,343,279
Total	1,000,000	100.00	19,602,900	78,411,600

Note:

- (i) The following vendors novated a total of 61,343,279 new Shares, issued to them pursuant to the Acquisition of NE Integrated, to Mountain Range as follows:

	No. of new Shares novated to Mountain Range
Ng Chay Chin	53,931,304
Chong Ewe Hean	7,411,975
Total	61,343,279

The purchase consideration of NE Integrated of RM19,602,900 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of NE Integrated as at 30 September 2023 of RM19,602,985. The Acquisition of NE Integrated was completed on 5 January 2024 and thereafter, NE Integrated has become a wholly-owned subsidiary of Northeast.

5. INFORMATION ON OUR GROUP (CONT'D)

(iii) Acquisition of NE Solutions

On 5 January 2024, our Company acquired the entire issued share capital in NE Solutions comprising 50,000 ordinary shares from the vendors for a purchase consideration of RM2,468,100. The purchase consideration was wholly satisfied via the issuance of 9,872,400 new Shares at an issue price of RM0.25 per Share to the following vendors:

	Shareholding in NE Solutions		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
Ng Chay Chin	25,000	50.00	1,234,050	4,936,200
Chong Ewe Hean	25,000	50.00	1,234,050	4,936,200
Total	50,000	100.00	2,468,100	9,872,400

The purchase consideration of NE Solutions of RM2,468,100 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of NE Solutions as at 30 September 2023 of RM2,468,194. The Acquisition of NE Solutions was completed on 5 January 2024 and thereafter, NE Solutions has become a wholly-owned subsidiary of Northeast.

(iv) Acquisition of NE Technologies

On 5 January 2024, our Company acquired the entire issued share capital in NE Technologies comprising 150,000 ordinary shares from the vendors for a purchase consideration of RM15,121,500. The purchase consideration was wholly satisfied via the issuance of 60,486,000 new Shares at an issue price of RM0.25 per Share to the following vendors (one of whom then novated a portion of his Shares to a holding company, Mountain Range):

	Shareholding in NE Technologies		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
Ng Chay Chin	55,500	37.00	5,594,955	22,379,820
Chong Ewe Hean	25,500	17.00	2,570,655	10,282,620
Ng Meng Hang	25,500	17.00	2,570,655	⁽ⁱ⁾ 9,688,959
Tang Ah Lek	25,500	17.00	2,570,655	10,282,620
Ng Chai Hee	18,000	12.00	1,814,580	7,258,320
Mountain Range	-	-	-	⁽ⁱ⁾ 9,688,959
Total	150,000	100.00	15,121,500	60,486,000

Note:

- (i) The following vendor novated a total of 9,688,959 new Shares, issued to him pursuant to the Acquisition of NE Technologies, to Mountain Range as follows:

	No. of new Shares novated to Mountain Range
Ng Meng Hang	9,688,959

5. INFORMATION ON OUR GROUP (CONT'D)

The purchase consideration of NE Technologies of RM15,121,500 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of NE Technologies as at 30 September 2023 of RM15,121,544. The Acquisition of NE Technologies was completed on 5 January 2024 and thereafter, NE Technologies has become a wholly-owned subsidiary of Northeast.

(v) Acquisition of Northeast Precision

On 5 January 2024, our Company acquired the entire issued share capital in Northeast Precision comprising 1,500,000 ordinary shares from the vendors for a purchase consideration of RM73,929,300. The purchase consideration was wholly satisfied via the issuance of 295,717,200 new Shares at an issue price of RM0.25 per Share to the following vendors (who then novated a portion of their Shares to a holding company, Mountain Range):

	Shareholding in Northeast Precision		Purchase Consideration RM	No. of new Shares issued
	No. of shares	%		
Ng Chay Chin	450,000	30.00	22,178,790	⁽ⁱ⁾ 6,020,495
Chong Ewe Hean	450,000	30.00	22,178,790	⁽ⁱ⁾ 11,418,845
Ng Meng Hang	300,000	20.00	14,785,860	⁽ⁱ⁾ 32,288,875
Tang Ah Lek	300,000	20.00	14,785,860	⁽ⁱ⁾ 24,497,380
Mountain Range	-	-	-	⁽ⁱ⁾ 221,491,605
Total	1,500,000	100.00	73,929,300	295,717,200

Note:

- (i) The following vendors novated a total of 221,491,605 new Shares, issued to them pursuant to the Acquisition of Northeast Precision, to Mountain Range as follows:

	No. of new Shares novated to Mountain Range
Ng Chay Chin	82,694,665
Chong Ewe Hean	77,296,315
Ng Meng Hang	26,854,565
Tang Ah Lek	34,646,060
Total	221,491,605

The purchase consideration of Northeast Precision of RM73,929,300 was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of Northeast Precision as at 30 September 2023 of RM73,929,367. The Acquisition of Northeast Precision was completed on 5 January 2024 and thereafter, Northeast Precision has become a wholly-owned subsidiary of Northeast.

5. INFORMATION ON OUR GROUP (CONT'D)

5.1.2 Share capital

As at the LPD, our issued share capital is RM142,753,500 comprising 571,011,000 Shares.

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

Date of allotment	No. of Shares allotted	Consideration	Cumulative issued share capital RM
18 July 2022	2	Cash	2.00
27 December 2023	998	Cash	1,000.00
5 January 2024	571,010,000	Other than cash pursuant to the Acquisitions	142,753,500

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

Upon completion of our IPO, our enlarged share capital will increase to RM[●] comprising 740,000,000 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities or uncalled capital in respect of our Shares.

5.2 OUR SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY

As at the LPD, the details of our subsidiaries are as follows:

Name and registration no.	Date and place of incorporation	Our effective equity interest %	Issued share capital RM	Principal activities
NE Components (200901020646 (863743-W))	9 July 2009 / Malaysia	100.00	500,000	Precision engineering works
NE Integrated (201201003919 (977444-P))	9 February 2012 / Malaysia	100.00	1,000,000	Precision engineering works
NE Solutions (201501018590 (1143922-K))	11 May 2015 / Malaysia	100.00	50,000	Precision engineering works
NE Technologies (200601024605 (744359-T))	15 August 2006 / Malaysia	100.00	150,000	Precision engineering works
Northeast Precision (200401019379 (657883-H))	30 June 2004 / Malaysia	100.00	1,500,000	Precision engineering works

As at the LPD, we do not have any joint venture or associate companies.

5. INFORMATION ON OUR GROUP (CONT'D)

5.2.1 NE Components

(i) History and business

NE Components was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 9 July 2009 as a private company limited by shares under the name of NE Components Sdn Bhd.

The principal place of business of NE Components is at 868, Plot 41, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang. It is currently principally involved in precision engineering works.

(ii) Share capital

As at the LPD, the issued share capital of NE Components is RM500,000 comprising 500,000 ordinary shares.

There is no change in the issued share capital of NE Components for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of NE Components were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, NE Components does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

NE Components is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, NE Components does not have any subsidiary, joint venture or associate companies.

5.2.2 NE Integrated

(i) History and business

NE Integrated was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 9 February 2012 as a private company limited by shares under the name of Sage Millimeter Sdn Bhd. On 24 December 2013, the company changed its name to NE Integrated Sdn Bhd.

The principal place of business of NE Integrated is at 1946, Lorong IKS Bukit Minyak 1, Taman IKS Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang. It is currently principally involved in precision engineering works.

(ii) Share capital

As at the LPD, the issued share capital of NE Integrated is RM1,000,000 comprising 1,000,000 ordinary shares.

5. INFORMATION ON OUR GROUP (CONT'D)

The changes in the issued share capital of NE Integrated for the Financial Years Under Review and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued share capital	
			No. of shares	RM
15 October 2020	600,000	Cash	1,000,000	1,000,000

None of the ordinary shares of NE Integrated were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, NE Integrated does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

NE Integrated is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, NE Integrated does not have any subsidiary, joint venture or associate companies.

5.2.3 NE Solutions

(i) History and business

NE Solutions was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 11 May 2015 as a private company limited by shares under the name of NE Solutions Sdn Bhd.

The principal place of business of NE Solutions is at 1946, Lorong IKS Bukit Minyak 1, Taman IKS Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang. It is currently principally involved in precision engineering works.

(ii) Share capital

As at the LPD, the issued share capital of NE Solutions is RM50,000 comprising 50,000 ordinary shares.

There is no change in the issued share capital of NE Solutions for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of NE Solutions were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, NE Solutions does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

NE Solutions is a wholly-owned subsidiary of our Company.

5. INFORMATION ON OUR GROUP (CONT'D)

(iv) Subsidiary, joint venture and associate company

As at the LPD, NE Solutions does not have any subsidiary, joint venture or associate companies.

5.2.4 NE Technologies**(i) History and business**

NE Technologies was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 15 August 2006 as a private company limited by shares under the name of NE Technologies Sdn Bhd.

The principal place of business of NE Technologies is at 1088, Jalan Juru, Kawasan Perindustrian Juru, 14100 Simpang Ampat, Pulau Pinang. It is currently principally involved in precision engineering works.

(ii) Share capital

As at the LPD, the issued share capital of NE Technologies is RM150,000 comprising 150,000 ordinary shares.

There is no change in the issued share capital of NE Technologies for the Financial Years Under Review and up to the LPD.

None of the ordinary shares of NE Technologies were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, NE Technologies does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

NE Technologies is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, NE Technologies does not have any subsidiary, joint venture or associate companies.

5.2.5 Northeast Precision**(i) History and business**

Northeast Precision was incorporated in Malaysia under the Companies Act 1965 (and deemed registered under the Act) on 30 June 2004 as a private company limited by shares under the name of Northeast Precision Sdn Bhd.

The principal place of business of Northeast Precision is at 868, Plot 41, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang. It is currently principally involved in precision engineering works.

(ii) Share capital

As at the LPD, the issued share capital of Northeast Precision is RM1,500,000 comprising 1,500,000 ordinary shares.

5. INFORMATION ON OUR GROUP (CONT'D)

The changes in the issued share capital of Northeast Precision for the Financial Years Under Review and up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative issued share capital	
			No. of shares	RM
29 September 2022	300,000	Cash	1,500,000	1,500,000

None of the ordinary shares of Northeast Precision were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, Northeast Precision does not have any outstanding warrants, options, convertible securities or uncalled capital in respect of its shares.

(iii) Shareholder

Northeast Precision is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associate company

As at the LPD, Northeast Precision does not have any subsidiary, joint venture or associate companies.

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