

3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

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.

	Public Issue		Offer for Sale		Total IPO Shares	
	No. of shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Malaysian Public	19,570,000 ⁽²⁾	5.26	-	-	19,570,000 ⁽²⁾	5.26
Pink Form Allocations	21,196,000	5.70	-	-	21,196,000	5.70
Private Placement to: -						
• Bumiputera investors approved by MITI	30,804,000	8.28	15,696,000	4.22	46,500,000	12.50
• Selected investors	-	-	24,304,000	6.53	24,304,000	6.53
Total	71,570,000	19.24	40,000,000	10.75	111,570,000	29.99

Enlarged issued share capital upon Listing	RM[●] comprising 372,000,002 Shares
IPO Price	RM[●]
Market capitalisation upon Listing⁽³⁾	RM[●]

Notes: -

(1) Based on our enlarged issued share capital of 372,000,002 Shares after our IPO.

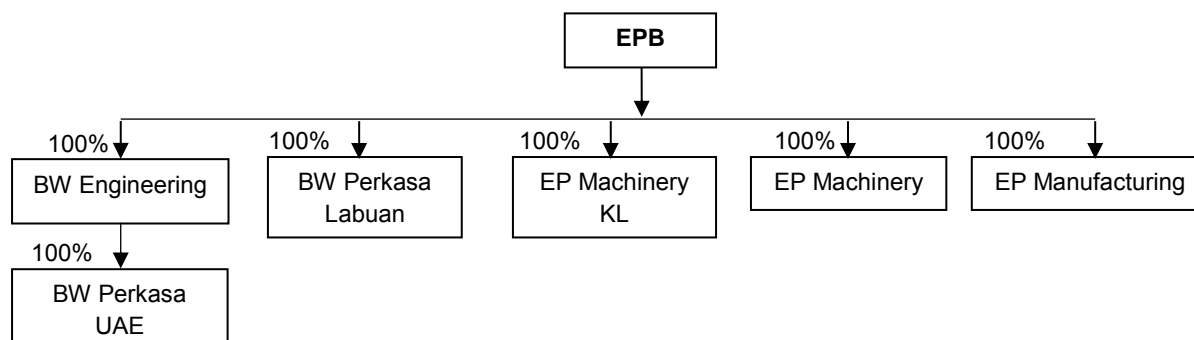
(2) 9,785,000 Shares, representing 50% of the allocation, are made available for application to Bumiputera public investors.

(3) Calculated based on the IPO Price and our enlarged issued share capital of 372,000,002 Shares upon Listing.

Please refer to Section 4 of this Prospectus for further details of our IPO. The shareholdings in our Company held by our Specified Shareholders after our IPO are subject to moratorium. Further details of the moratorium on our Shares held by our Specified Shareholders are set out in Section 2.2 of this Prospectus.

3.2 BUSINESS OVERVIEW

Our Company was incorporated in Malaysia under the Act on 28 February 2022 as a private limited company under the name of EPB Group Sdn. Bhd., for the purpose of being an investment holding company and the listing vehicle to facilitate the Listing. Subsequently, our Company was converted to a public limited company on 10 March 2023 and adopted our present name, EPB Group Berhad. Our group structure, after our IPO, is as follows: -



3. PROSPECTUS SUMMARY (cont'd)

Our Group is a one-stop provider of food processing and packaging machinery solutions. We are primarily involved in the design, customisation, fabrication, integration and automation of production lines for food manufacturing and processing companies, based on our customers' needs. We are also involved in the trading of cellulose casings, as well as manufacturing and trading of flexible packaging materials.

The following is an overview of our Group's business model: -

One-stop provider of food processing and packaging machinery solutions			
Business segment	Provision of food processing and packaging machinery solutions	Trading of cellulose casings	Manufacturing and trading of flexible packaging materials
Activities	✓ Provision of food processing and packaging machinery solutions	✓ Trading of cellulose casings	✓ Manufacturing and trading of flexible packaging materials
Revenue Breakdown in FYE 2022	<ul style="list-style-type: none"> • RM72.57 million • 81.43% of total 	<ul style="list-style-type: none"> • RM11.90 million • 13.36% of total 	<ul style="list-style-type: none"> • RM4.64 million • 5.21% of total
Target Customers	<ul style="list-style-type: none"> ➢ Food manufacturers ➢ Food processing companies ➢ Cold chain logistics providers ➢ Industrial and logistics property owners 	<ul style="list-style-type: none"> ➢ Food manufacturers ➢ Food processing companies 	<ul style="list-style-type: none"> ➢ Food manufacturers ➢ Personal care manufacturers ➢ Pet food manufacturers
Principal Markets in FYE 2022	<ul style="list-style-type: none"> ○ Malaysia (RM43.42million, 48.72% of total revenue) ○ Indonesia (RM32.33 million, 36.28% of total revenue) ○ Philippines (RM8.19 million, 9.19% of total revenue) 		

Our Group's revenue breakdown by business segments for the Financial Years Under Review are as follows: -

	Audited					
	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Food processing and packaging machinery solutions	50,985	82.65	60,731	80.21	72,569	81.43
Trading of cellulose casings	6,854	11.11	9,737	12.86	11,902	13.36
Manufacturing and trading of flexible packaging materials	3,850	6.24	5,249	6.93	4,643	5.21
Total	61,689	100.00	75,717	100.00	89,114	100.00

3. PROSPECTUS SUMMARY (cont'd)

Our Group's revenue breakdown by geographical location for the Financial Years Under Review are as follows: -

	Food processing and packaging machinery solutions		Trading of cellulose casings		Manufacturing and trading of flexible packaging materials		Total Revenue	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
FYE 2020								
Malaysia	22,494	44.12	56	0.82	3,771	97.95	26,321	42.67
Foreign countries: -								
Indonesia	4,539	8.90	6,798	99.18	-	-	11,337	18.38
Philippines	17,465	34.26	-	-	-	-	17,465	28.31
USA	1,523	2.99	-	-	-	-	1,523	2.47
Myanmar	1,201	2.36	-	-	-	-	1,201	1.95
Others	3,763	7.37	-	-	79	2.05	3,842	6.22
Subtotal	28,491	55.88	6,798	99.18	79	2.05	35,368	57.33
Total	50,985	100.00	6,854	100.00	3,850	100.00	61,689	100.00
FYE 2021								
Malaysia	30,151	49.65	800	8.22	5,054	96.29	36,005	47.55
Foreign countries: -								
Indonesia	11,709	19.28	8,937	91.78	-	-	20,646	27.27
Philippines	12,131	19.97	-	-	-	-	12,131	16.02
USA	648	1.07	-	-	-	-	648	0.86
Myanmar	290	0.48	-	-	-	-	290	0.38
Others	5,802	9.55	-	-	195	3.71	5,997	7.92
Subtotal	30,580	50.35	8,937	91.78	195	3.71	39,712	52.45
Total	60,731	100.00	9,737	100.00	5,249	100.00	75,717	100.00
FYE 2022								
Malaysia	38,892	53.59	-	-	4,525	97.46	43,417	48.72
Foreign countries: -								
Indonesia	20,428	28.15	11,902	100.00	-	-	32,330	36.28
Philippines	8,187	11.28	-	-	-	-	8,187	9.19
USA	138	0.19	-	-	-	-	138	0.15
Myanmar	12	0.02	-	-	96	2.07	108	0.12
Others	4,912	6.77	-	-	22	0.47	4,934	5.54
Subtotal	33,677	46.41	11,902	100.00	118	2.54	45,697	51.28
Total	72,569	100.00	11,902	100.00	4,643	100.00	89,114	100.00

Please refer to Sections 6 and 7 of this Prospectus for further information on our Group and business overview respectively.

3.3 COMPETITIVE STRENGTHS

Our Board believes that our historical successes and future prospects are underpinned by the following competitive strengths: -

(i) Established operating track record

We have accumulated more than thirty (30) years of operating track record since the formation of the sole proprietorship business, New Tech Machinery by our Managing Director, Yeoh Chee Min. Over the years, we have grown from a single-purpose packing machine trading business

3. PROSPECTUS SUMMARY (cont'd)

into an established provider of food processing and packaging machinery solutions with involvement in the trading of cellulose casings, and manufacturing and trading of flexible packaging materials, with growing revenue from RM61.69 million for the FYE 2020 to RM89.11 million for the FYE 2022.

- (ii) **A one-stop provider of food processing and packaging machinery solutions with in-house manufacturing capabilities**
We are able to undertake turnkey projects by providing solutions for the entire food manufacturing and processing production line involving processing and packaging machinery. We add value by designing, supplying and integrating various types of machines under a single production system. Furthermore, as part of our value-added service offering, we use our expertise in the food manufacturing industry to help conceptualise and recommend factory layouts and production flows for greater efficiency based on our customers' needs. Our Group has accumulated experience and technical expertise which are further leveraged to integrate processing and packaging machines that are imported and/or made in-house. Our in-house manufacturing capabilities allow us to meet our customers' customisation needs, if required, and stand ready to provide after-sales support in terms of maintenance and repair services. As such, our customers do not need to source from multiple vendors to set up a full food manufacturing and processing production line as we are able to meet all their requirements under one roof. In addition, we can also supply cellulose casings and flexible packaging materials to them if required.
- (iii) **Close collaboration with our customers in product development**
Since 1995, we have worked closely with our customers in the development of their new products by providing consultation on the conceptualisation of innovative products including packaging design, choice of materials or ingredients and food manufacturing processes as well as cost-effective measures that automation can have on the businesses of our customers. We believe that such close collaboration in product development represents a win-win situation for both parties. On one hand, our customers stand to enjoy a faster time-to-market for the commercialisation of their new and innovative products whilst on the other hand, the close collaboration can drive customer stickiness (due to our familiarity and close understanding on the requirements of our customers) and keep us ahead of our competitors as the machinery supplier of choice for them. With our expertise in the fabrication and integration of machineries as well as the extensive product portfolio of our suppliers, we are able to offer innovative products with our customised machinery solutions to our customers.
- (iv) **Qualified and experienced management team**
Our Group is spearheaded by our Managing Director, Yeoh Chee Min and Deputy Managing Director, Liew Meng Hooi. Both are industry veterans, each with over thirty (30) years of working experience in food processing and packaging automation. They have gained extensive and in-depth knowledge as well as good understanding on the dynamics of the industry. Both are also supported by a team of dedicated personnel who each possess the necessary expertise and/or experience across various key business functions.
- (v) **We are committed to stringent quality standard**
We place great emphasis on the quality of our services to our customers. We strive to undertake proper enforcement and execution of stringent quality procedures throughout our business processes. To this end, our subsidiaries namely EP Machinery and BW Engineering have established a QMS that is in line with internationally acceptable practices. By putting in place an internal QMS that is backed by internationally acceptable practices provides our customers assurance of our commitment towards providing quality services.

Please refer to Section 7.19 of this Prospectus for further details on our competitive strengths.

3.4 BUSINESS STRATEGIES AND FUTURE PLANS

Our business objectives are to maintain a sustainable growth rate in our business and to create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies and future plans over the period of thirty-six (36) months from the date of our Listing: -

- (i) **Expanding business footprint in Penang**
We intend to expand our business footprint in Penang by building a new corporate office as well as a factory building with a warehouse and a showroom with a total built-up area of approximately 70,000 sq ft. Under our business expansion plan, we intend to establish a new three-storey corporate office with built-up area of approximately 18,000 sq ft for our Group that can house the backroom operations of BW Engineering, EP Machinery and EP Manufacturing under one roof. We will shift the entire backroom operations of BW Engineering and EP Manufacturing to the new corporate office once it is completed.

3. PROSPECTUS SUMMARY (cont'd)

Our Group also intends to expand our existing production area by building a new factory with a warehouse and a showroom. The proposed factory building which consists of a single-storey building is expected to add additional built-up area of approximately 52,000 sq ft to cater for the production of food processing and packaging machineries, warehouse and showroom. This new factory allows our Group to enhance our production capabilities for our food processing and packaging machinery solutions to meet the expected future growth in demand and shorten turnaround time should there be multiple large orders secured at the same time. In tandem with the planned expansion of production capacity, a warehouse will also be constructed within this new factory building to provide us with additional warehousing space to store raw materials or inputs as well as finished goods. Besides that, a new showroom will also be constructed within this new factory building. The showroom will showcase our product offerings and provide better customer experiences for our clients specifically on our food processing and packaging machinery solutions.

We will also be boosting our in-house manufacturing capabilities by purchasing various new machineries and equipment. These include two (2) vertical machining centres, a CNC turning centre and a CNC press brake/cutting machine; to be used for the production of food processing and packaging machineries and equipment to be supplied under our food processing and packaging machinery solutions business segment.

(ii) Increasing robotic footprint in food processing and packaging machinery solutions

We intend to ride on the industrial revolution 4.0 trend and increase the integration of robotic technology within our food processing and packaging machinery solutions. We have identified an opportunity gap in our industry for the use of more robotic technology given the stringent hygiene requirements for the handling of food and the pressing challenges faced by food manufacturers in hiring factory workers. The use of more robotic technology will help to minimise human interference and address the worker supply gap.

Please refer to Section 7.20 of this Prospectus for further details on our business strategies and future plans.

3.5 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group has not experienced any significant interruptions to our business and operations over the past twelve (12) months preceding the LPD. The impact of the COVID-19 pandemic on our business and operations during the Financial Years Under Review are summarised below.

In light of the COVID-19 pandemic, the Government has imposed various degrees of nationwide movement restrictions (i.e., MCO, conditional MCO, recovery MCO, enhanced MCO and various phases under the NRP) to curb the spread of COVID-19 since 18 March 2020. The restrictions depended on the severity of the COVID-19 infections in individual states and federal territory areas.

As a result of MCO 1.0 imposed throughout the nation, most of the economic sectors and activities had been halted, especially those operating in non-essential services, including the manufacturing sector. As a result, all our production operations were temporarily suspended while our backroom office employees worked remotely from home.

Our Group was able to obtain the approvals from MITI to operate our businesses during MCO 1.0. BW Perkasa Labuan had implemented work-from-home arrangements whereby all communications with suppliers and customers were undertaken remotely from home. We adhered to strict standard operating procedures while continuing our operations over the course of the several nationwide movement restrictions imposed by the Government thereafter.

During the movement restrictions by the Government, we experienced some disruptions to our supply chain due to a combination of MITI's deferred approval for businesses that were deemed as non-essential and imposition of travel restrictions. We also experienced few instances of late deliveries of our imported orders due to lockdown measures imposed and congestions at seaports. Nonetheless, we have not experienced any penalties from our customers for late product delivery as we maintained communications with them to provide updates on the progress of deliveries. Besides that, we also continued to receive new purchase orders from customers during the pandemic period.

Please refer to Section 7.13 of this Prospectus for further details on the interruptions to our business and operations.

3. PROSPECTUS SUMMARY (cont'd)

3.6 RISK FACTORS

You should evaluate and consider carefully, along with other matters in this Prospectus, the following risk factors which may in the future have a material adverse effect on our business operations, financial position and performance, in addition to other information contained elsewhere in this Prospectus, before making an application for our IPO Shares.

The key risks relating to our Group's business operations are summarised as follows: -

- (i) Risks relating to our business and operations
- **Our financial performance is dependent on our ability to continually secure new orders from existing and new customers.** Notwithstanding that we have enjoyed favourable growth in revenue during the Financial Years Under Review, there is no assurance that we will be able to sustain the revenue size and/or rate of growth in the future. In the event we are unable to continually secure adequate new orders from existing and new customers, our financial performance and financial position will be adversely affected.
 - **We are dependent on one of our major suppliers.** For the Financial Years Under Review, we were dependent on Shandong Vicel of China for the supply of cellulose casings. Purchases from Shandong Vicel accounted for 12.99%, 16.30% and 17.84% of our total purchase value respectively for the Financial Years Under Review. We are a distributor of its Vicel Speedy Peel Cellulose Casings in Indonesia for another two (2) years commencing from 1 January 2024 based on the renewed and latest distribution agreement. However, there can be no assurance that Shandong Vicel will continue to grant us the distributorship upon the expiry of the current agreement or renew the agreement on similar terms.
 - **We are exposed to risk relating to fluctuations in raw material prices.** The raw materials required in our fabrication activities include stainless steel products and aluminium products among others. Any price hikes in raw materials caused by their shortages, which are beyond our control could result in increased costs and hinder our Group's business profitability particularly given that our Group cannot immediately or fully pass-on these costs to our recurring customers.
 - **We are dependent on our Executive Directors and Key Senior Management for the continued success and growth of our business.** The loss of any Executive Director and/or any of our Key Senior Management simultaneously or within a short time may create unfavourable or material impact on our Group's operations and the future growth of our business; which may ultimately affect the results of operations, performance and prospects of our Group if we are not able to replace or attract suitable talents in a timely manner.
 - **We are subject to credit risks based on the credit periods granted to our customers.** Whilst our finance team monitors collections from our customers regularly and follows up on any overdue amounts, there can be no assurance that the outstanding debts owing by our customers will be fully collected. Any default by our trade receivables to fulfil their debt obligations in the future may adversely affect our financial performance and financial position.
 - **We may not be able to successfully execute our business strategies and future plans which may hinder our Group's business growth and success.** The prospects and future growth of our business are dependent on our ability to implement and execute our business strategies and future plans effectively and promptly. The successful implementation of our business strategies and future plans may be affected by risk factors not fully within our control such as the general market and economic conditions, delay in completion of the construction of our new factory, customer acceptance level towards integration of robotic technology in the food processing and packaging machinery solutions offered by us, and the demand for our products and services may not match our enlarged capacity on an immediate basis.
 - **We are exposed to the fluctuations in the foreign exchange rates.** We are exposed to foreign currency risk because some portion of our sales and purchases are transacted in foreign currencies namely the USD, EUR, NTD, SGD, IDR, RMB and PHP. As such, we are exposed to fluctuations in foreign exchange rates and any adverse movements in the foreign exchange markets may have a negative impact on our financial performance and operating results.

3. PROSPECTUS SUMMARY (cont'd)

- **We are exposed to unfavourable regulatory and policy changes relating to the hiring of foreign workers.** As at the LPD, we have 37 foreign workers representing 23.87% of our total workforce. Any unfavourable regulatory and policy changes relating to the hiring of foreign workers between Malaysia and the countries from which the foreign workers are sourced may adversely affect the availability of foreign workers, resulting in our Group not being able to continue employ new foreign workers or renew the working permit of existing foreign workers. In addition, any future increase to the minimum wages and/or any other costs associated with the hiring of foreign workers as implemented by the Government may result in an increase in our overall costs.
 - **We are exposed to risk relating to inadequacy on insurance coverage on our Group's assets and employees.** Whilst we have taken the necessary steps to ensure that our insurance coverage is adequate for our operations and assets, it may not be adequate to fully compensate for the loss that we may suffer in the future.
- (ii) Risks relating to the industry in which our Group operates
- We operate in a competitive environment.
 - We are subject to risks relating to the government, economic, fiscal or monetary policies as well as the occurrence of force majeure events such as global pandemic risks.
- (iii) Risks relating to the investment in our Shares
- No prior market for our Shares and it is uncertain whether a sustainable market will ever develop.
 - Capital market risks and volatility of our Share price and trading volume.
 - Control by our Promoters.
 - The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the market price of our Shares.
 - Delay in or abortion of our Listing.
 - Uncertainty of dividend payments.

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

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows: -

Name	Designation
Directors	
Noor Azman Bin Nordin	Independent Non-Executive Chairman
Yeoh Chee Min	Managing Director
Liew Meng Hooi	Deputy Managing Director
Ooi Kim Kew	Executive Director
Khor Chai Tian	Independent Non-Executive Director
Ooi Hun Pin	Independent Non-Executive Director
Stephen Chua Chee Keong	Independent Non-Executive Director
Key Senior Management	
Tan Cheng Cheng	Chief Financial Officer
Teoh Joo Han	Director of EP Machinery KL
Wang Boon Phoey	Director of BW Perkasa UAE
Yeow Song You	Director of BW Engineering
Goh Toh Sin	General Manager cum Marketing Manager of EP Machinery
Yeoh Choi Goeh @ Yeoh Choi Hwang	Export Marketing Manager of EP Machinery
Loh Chow Hong	Factory Manager of EP Machinery
Wong Wei Choo	Accounts and Purchasing Manager of EP Manufacturing

Please refer to Sections 5.1, 5.2 and 5.3 of this Prospectus for further details of our Directors and Key Senior Management.

3. PROSPECTUS SUMMARY (cont'd)

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of the substantial shareholders in our Company before and after the Listing are as follows: -

Name	Nationality	Before the IPO			
		Direct		Indirect	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Yeoh Chee Min	Malaysian	185,007,501	61.58	55,760,100	18.56 ⁽²⁾
Liew Meng Hooi	Malaysian	49,230,301	16.39	-	-
Ooi Kim Kew	Malaysian	55,760,100	18.56	185,007,501	61.58 ⁽³⁾

Name	Nationality	After the IPO			
		Direct		Indirect	
		No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Yeoh Chee Min	Malaysian	145,007,501	38.98	55,760,100	14.99 ⁽²⁾
Liew Meng Hooi	Malaysian	49,230,301	13.23	-	-
Ooi Kim Kew	Malaysian	55,760,100	14.99	145,007,501	38.98 ⁽³⁾

Notes: -

- (1) Based on our issued share capital of 300,430,002 Shares after the Pre-Listing Exercise.
- (2) Deemed interested by virtue of the interests of his spouse, Ooi Kim Kew.
- (3) Deemed interested by virtue of the interests of her spouse, Yeoh Chee Min.
- (4) Based on our enlarged issued share capital of 372,000,002 Shares after our IPO.

Please refer to Section 5.1 of this Prospectus for further details of our Promoters and substantial shareholders.

3.9 UTILISATION OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to RM[•] million in the following manner:

Details of utilisation	RM	%	Estimated timeframe for utilisation from the date of our Listing
Factory expansion: -			
(a) Acquisition of land	[•]	[•]	Within 12 months
(b) Construction of factory	[•]	[•]	Within 36 months
(c) Purchase of machinery	[•]	[•]	Within 36 months
Repayment of bank borrowings	[•]	[•]	Within 6 months
Working capital	[•]	[•]	Within 12 months
Estimated listing expenses	[•]	[•]	Within 3 months
Total	[•]	100.00	

The gross proceeds of approximately RM[•] million from the Offer for Sale will accrue entirely to the Selling Shareholder. Therefore, we will not receive any proceeds from the Offer for Sale.

Please refer to Section 4.8 of this Prospectus for further details on the utilisation of proceeds.

3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

3.10.1 Historical Audited Combined Financial Statements

The following table sets out the financial highlights of our historical audited combined financial statements for the Financial Years Under Review: -

	Audited		
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Revenue	61,689	75,717	89,114
COS	(41,135)	(50,163)	(58,655)
GP	20,554	25,554	30,459
PBT	7,742	13,853	15,579
PAT attributable to owners of parent	6,298	11,926	12,282
EBITDA ⁽¹⁾	9,470	15,500	17,519

3. PROSPECTUS SUMMARY (cont'd)

	Audited		
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
GP margin ⁽²⁾ (%)	33.32	33.75	34.18
PBT margin ⁽³⁾ (%)	12.55	18.30	17.48
PAT margin ⁽⁴⁾ (%)	10.21	15.75	13.78
Basic EPS ⁽⁵⁾ (sen)	2.10	3.97	4.09
Diluted EPS ⁽⁶⁾ (sen)	1.69	3.21	3.30
Total non-current assets	17,570	16,865	17,179
Total current assets	40,087	52,187	66,617
Total non-current liabilities	4,542	3,256	6,476
Total current liabilities	29,576	35,795	34,861
Total equity/NA	23,539	30,001	42,459
NA per Share ⁽⁷⁾ (RM)	0.06	0.08	0.11
Current ratio ⁽⁸⁾ (times)	1.36	1.46	1.91
Gearing ratio ⁽⁹⁾ (times)	0.24	0.16	0.14

Notes: -

(1) EBITDA is computed as follows: -

	Audited		
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
PBT	7,742	13,853	15,579
<i>Add</i>			
Finance costs	438	337	344
Interest income	(27)	(46)	(9)
Depreciation and amortisation	1,317	1,356	1,605
EBITDA	9,470	15,500	17,519

(2) GP margin is computed based on GP divided by revenue.

(3) PBT margin is computed based on PBT divided by revenue.

(4) PAT margin is computed based on PAT divided by revenue.

(5) Basic EPS is computed based on PAT attributable to owners of the parent divided by the issued share capital of 300,430,002 Shares before our IPO and after the completion of the Pre-Listing Exercise.

(6) Diluted EPS is computed based on PAT attributable to owners of the parent divided by the enlarged issued share capital of 372,000,002 Shares after our IPO.

(7) NA per Share is computed based on total equity/NA divided by the enlarged issued share capital of 372,000,002 Shares after our IPO.

(8) Computed based on current assets over current liabilities as at each of the FYE.

(9) Computed based on total borrowings (consist of bank borrowings and lease liabilities) over total equity as at each of the FYE.

Please refer to Section 11.1 of this Prospectus for further details on our historical combined financial statements for the Financial Years Under Review.

3.10.2 Pro forma combined statements of financial position

The following table summarises our pro forma combined statements of financial position as at 31 December 2022 and after Pre-Listing Exercise, the cash proceeds arising from our Public Issue and the utilisation of proceeds. It should be read in conjunction with the accompanying notes and assumptions included in the pro forma combined statements of financial position as set out in Section 13 of this Prospectus.

	Audited as at 31 December 2022	Pro Forma		
		I	II	III
		Pre-Listing Exercise	After Pro Forma I, Public Issue and Offer for Sale	After Pro Forma II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Share capital	*	30,043	[•]	[•]
Reserves	(253)	9,716	9,716	[•]
	(253)	39,759	[•]	[•]
Non-controlling interests	-	-	-	-
Total equity	(253)	39,759	[•]	[•]

3. PROSPECTUS SUMMARY (cont'd)

	Audited as at 31 December 2022	Pro Forma		
		I	II	III
		Pre-Listing Exercise	After Pro Forma I, Public Issue and Offer for Sale	After Pro Forma II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
No. of Shares issued/ assumed to be issued ('000)	*	300,430	372,000	372,000
NA ⁽¹⁾ (RM'000)	(253)	39,759	[●]	[●]
NA per Share (RM)	(126,679)	0.13	[●]	[●]
Total borrowings	-	5,928	5,928	[●]
Gearing ratio (times)	N/A	0.15	[●]	[●]

Notes: -

* RM2.00 comprising two (2) Shares

(1) NA attributable to owners of the Company

3.10.3 Operational highlights

Our Group recorded total revenue of approximately RM61.69 million, RM75.72 million and RM89.11 million respectively for the Financial Years Under Review. Throughout the Financial Years Under Review, the food processing and packaging machinery solutions segment represents the main revenue contributor to our Group, contributing 82.65%, 80.21% and 81.43% of our total revenue respectively for the Financial Years Under Review. Our top five (5) major customers contributed approximately 39.70%, 35.95% and 36.38% to our Group's total revenue for the Financial Years Under Review respectively. For the FYE 2022, our Group has over 600 customers. As such, our Group is not dependent on our major customers as we have built a large customer base throughout the years.

Please refer to Section 11.2 of this Prospectus for the management's discussion and analysis on our financial condition and results of operations for the Financial Years Under Review.

3.11 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. The declaration of any interim dividend for a particular financial year is subject to the discretion of our Board, whilst the declaration of any final dividend for a particular financial year is subject to the approval of our shareholders at our annual general meeting upon the recommendation of our Board.

It is our intention to pay dividends to our shareholders to allow them to participate in our profits. We intend to pay dividends out of surplus cash generated from our operations, after setting aside necessary funding for capital expenditure and working capital requirements. As part of this policy and subject always to compliance with the applicable laws and regulatory requirements, our Board targets a distribution of up to 25% of our annual audited consolidated PAT attributable to our shareholders in the form of dividends annually.

Investors should take note that this dividend policy merely describes our Group's present intention and shall not constitute legally binding statements in respect of our future dividends, which are always subject to our Board's discretion.

For information purposes, dividends declared by our Group during the Financial Years Under Review are as follows: -

	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
Dividends declared	3,021	5,637	200
PAT attributable to owners of the parent	6,298	11,926	12,282
Dividend pay-out ratio ⁽¹⁾ (%)	47.97	47.27	1.63

Note: -

(1) Computed based on dividend declared divided by the PAT attributable to owners of the parent.

Please refer to Section 11.15 of this Prospectus for further details on our dividend policy.