

6. INFORMATION ON OUR GROUP

6.1 HISTORY AND BACKGROUND

Our Company was incorporated in Malaysia under the Act on 20 February 2019 as a private limited company under the name KHPT Holdings Sdn Bhd and was subsequently converted into a public limited company on 1 March 2024 and assumed our present name.

We are an investment holding company. Through our Subsidiary, we are principally involved in manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts). Please refer to Section 7.1.1 of this Prospectus for more details of the principal activity of our Subsidiary.

The history of our Group's involvement in the manufacturing and sale of automotive parts and components can be traced back to the incorporation of KHEI in 1994 by See Ming Hoi and Tiu Kuang Hong. The key events and milestones of our history and development of our business are as follows:

Year	Key events and milestones
1995	<ul style="list-style-type: none"> • KHEI commenced business operations in the manufacturing and sales of automotive absorber parts to approved vendors of local automotive manufacturers ("Tier 1 Suppliers/Manufacturers"), namely Proton and Perodua. Under this arrangement, we serve a role of Tier 2 Supplier/Manufacturer where our absorber parts are sold to Tier 1 Suppliers/Manufacturers for further processing and assembly with other parts and components prior to be supplied to local automotive manufacturers for assembly of new automotive vehicles in production market, and/or to replacement market for use as spare parts. • This first sale of automotive absorber parts was secured from Customer Group A, an automotive part and component manufacturer and assembler, who is also a Tier 1 Supplier/Manufacturer of Proton and Perodua. Customer Group A has remained as our major customer in the Financial Years Under Review. • The manufacturing operations were carried out from a factory located in Kuala Langat, Selangor ("Kuala Langat factory").
1996	<ul style="list-style-type: none"> • Kah Hong Precision Tooling Sdn Bhd (now known as AGSB) was incorporated by 2 founding shareholders, namely See Ming Hoi and Tiu Kuang Hong. AGSB was founded with the intention of venturing into the manufacturing and sale of commercial lighting metal components. AGSB remained dormant until 1998.
1998	<ul style="list-style-type: none"> • AGSB commenced business in the manufacturing of commercial lighting metal components for the commercial lighting industry. The manufacturing operations were carried out from the Kuala Langat factory.
2001	<ul style="list-style-type: none"> • We expanded our product offerings to include the manufacturing and sale of automotive seat structural parts, under AGSB. We secured our first sale of automotive seat structural parts from Customer Group A. This was AGSB's first engagement in the manufacturing and sale of automotive parts. • Subsequent to this, all sales engagements by customers and our business expansions in relation to the manufacturing and sale of automotive parts and components have been handled by AGSB.
2003	<ul style="list-style-type: none"> • See Ming Hoi's daughter, Datin Eloise, who is presently our Group Managing Director, joined our Group as Business Development Executive. Please refer to Section 5.1.3 (i) of this Prospectus for the profile of Datin Eloise.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
	<ul style="list-style-type: none"> We expanded our service offerings when we invested in robotic welding machines to offer sub-assembly services. With this service expansion, we began performing welding of seat structural parts manufactured in-house to form seat structures, to be supplied to our customers as automotive seat components. Prior to this, all seat structural parts manufactured in-house were supplied to our customers as individual parts. AGSB received the ISO 9001:2000 quality management system for the manufacturing of stamped metal parts.
2007	<ul style="list-style-type: none"> We relocated our business operations to a larger premises at TPG Factory, with a built-up area of approximately 16,312.87 sq m. It was initially a rented property and was later acquired in 2018. This premises has since become our headquarters and factory.
2008	<ul style="list-style-type: none"> We expanded our product offerings to include the manufacturing and sale of an automotive engine part, namely drive plates. We secured our first sale from Sapura Machining Corporation Sdn Bhd, a manufacturer of automotive components and a Tier 1 Supplier/Manufacturer of Proton and Perodua, who remained our major customer in the FYEs 2021 and 2023. We ceased the manufacturing of commercial lighting products to focus on our core operations in the automotive industry.
2009	<ul style="list-style-type: none"> We further expanded our product offerings to include the manufacturing and sale of automotive body parts such as rear frames as well as reinforcement C pillars and panels. We secured our first sale of automotive body parts from Autokeen Sdn Bhd, an automotive components manufacturer and sub-assembler as well as a Tier 1 Supplier/Manufacturer of Proton and Perodua. Autokeen Sdn Bhd has remained our major customer in the Financial Years Under Review. Furthermore, throughout the years, we have continuously expanded our product offerings under the segment of automotive body parts to include other body parts such as fuel tanks, box fuel inlets and heat protectors.
2016	<ul style="list-style-type: none"> We were appointed to manufacture and supply automotive body parts directly to Perodua in the form of blanked pieces, where these blanked pieces were used by Perodua for further stamping to form body parts for the assembly of Bezza model. This marked our first appointment as Tier 1 Supplier/Manufacturer of Perodua. AGSB obtained the ISO/TS 16949:2009 quality management systems for automotive production and relevant service part organisations, under the scope of the manufacturing of metal stamp parts and sub-assembly of metal components.
2017	<ul style="list-style-type: none"> AGSB won the Golden Bull Award 2017 for Outstanding SMEs at the 11th Malaysia Outstanding SMEs Award organised by Business Media International Sdn Bhd and Sphere Exhibits Malaysia Sdn Bhd.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2018	<ul style="list-style-type: none"> Datin Eloise assumed the position as managing director of AGSB, continuing to spearhead and steer the growth of our Group. In the same year, Datin Eloise acquired See Ming Hoi's entire equity interest in AGSB. AGSB obtained the IATF 16949:2016 quality management systems for automotive production and relevant service part organisations under the scope of the manufacturing of metal stamp parts and sub-assembly of metal components. Our operations under KHEI were transferred to AGSB to streamline and consolidate all our business operations under 1 entity. Since then, KHEI has ceased operations in relation to the manufacturing of automotive parts and components.
2020	<ul style="list-style-type: none"> We were appointed to manufacture and supply automotive body parts to Proton directly for the assembly of Iriz model. This marked our first appointment as Tier 1 Supplier/Manufacturer of Proton.
2023	<ul style="list-style-type: none"> Our subsidiary, previously known as Kah Hong Precision Tooling Sdn Bhd underwent a name change and is presently known as AGSB.

6.2 SHARE CAPITAL

As at the LPD, the share capital of our Company is RM31,724,150 comprising 293,742,113 Shares.

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

Date of allotment	No. of Shares allotted	Type of Issue / Consideration	No. of cumulative Shares	Cumulative share capital (RM)
20 February 2019	2	Cash / Subscriber's share	2	2
8 January 2024	293,742,111	Otherwise than cash / Consideration for the Acquisition	293,742,113	31,724,150

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

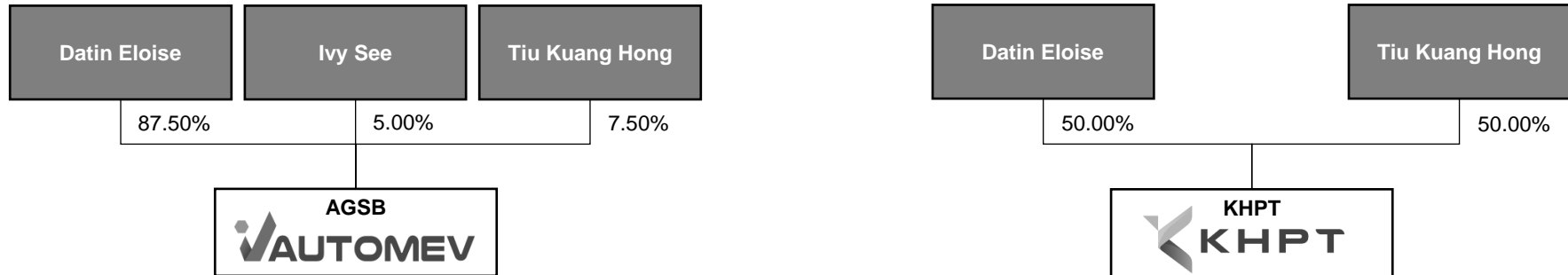
Upon the completion of our IPO, our enlarged issued share capital will increase from RM31,724,150 comprising 293,742,113 Shares to RM[●] comprising 402,386,413 Shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

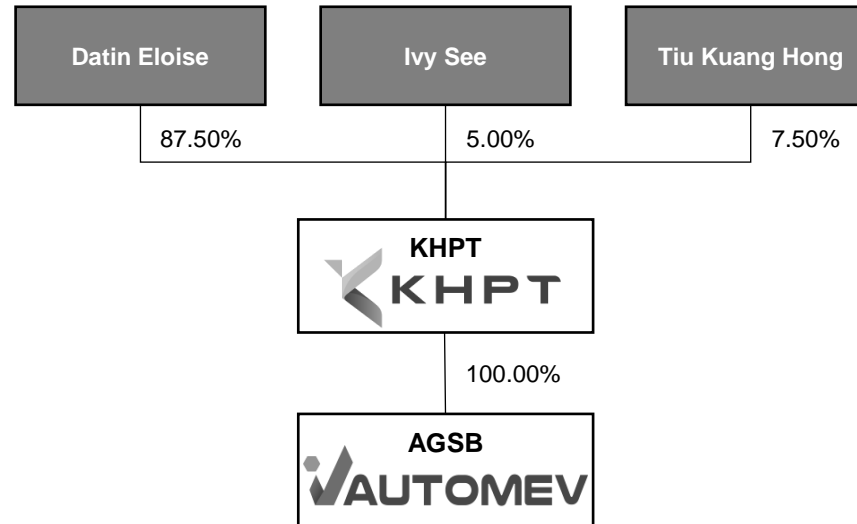
Our Group structure is as follows:

Before the Acquisition



After the Acquisition and before our IPO

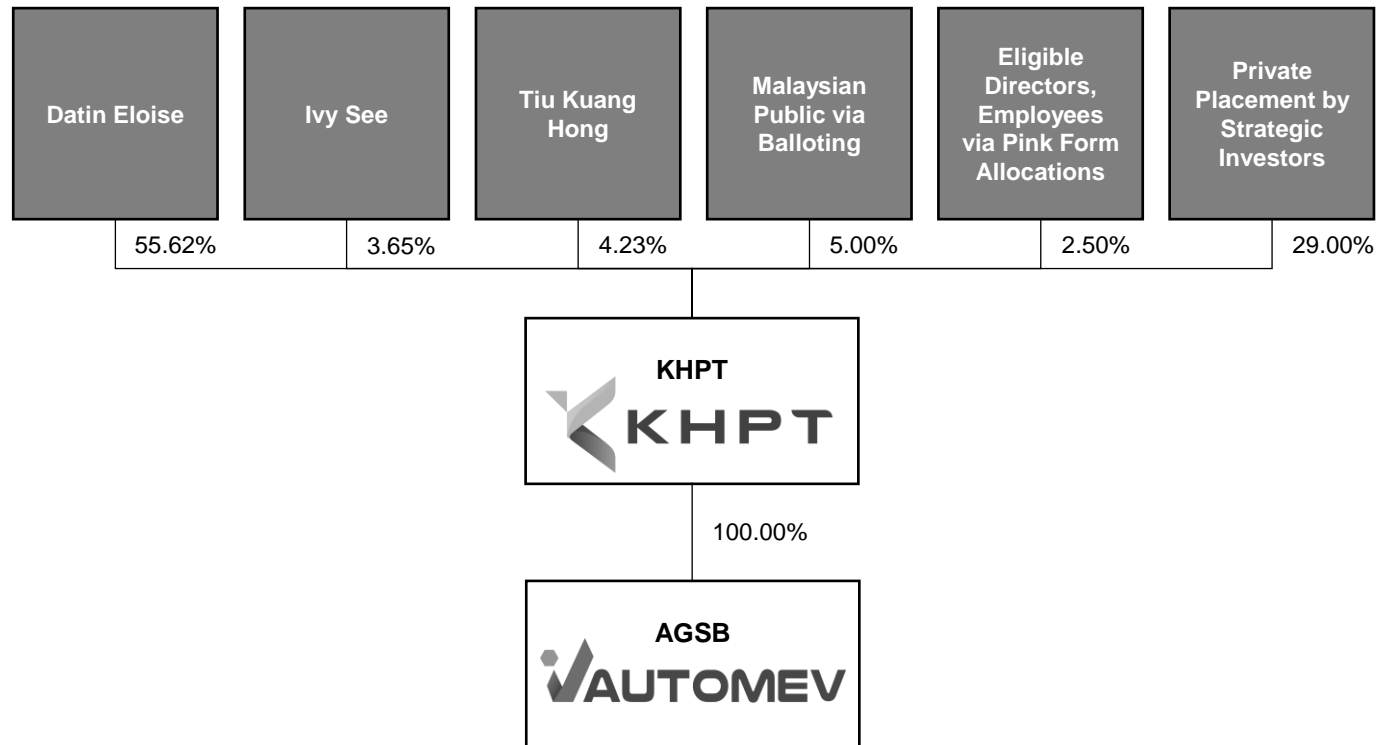
Our Group structure including our Subsidiary after the Acquisition and before our IPO is as follows:



6. INFORMATION ON OUR GROUP (Cont'd)

After our IPO

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



6. INFORMATION ON OUR GROUP (Cont'd)**6.4 INFORMATION ON OUR SUBSIDIARY**

The details of our Subsidiary as at the LPD is summarised as follows:

Name and Registration number	Date of incorporation	Country of incorporation	Effective equity interest (%)	Principal activities / Principal place of business
AGSB (199601031222 (403574-H))	25 September 1996	Malaysia	100.00	Manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts) / Lot 2228, Jalan Kasawari, Kawasan Perusahaan Kebun Baru, Batu 9, Kg. Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan

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

6.4.1 AGSB**(i) Background and history**

Our Subsidiary was incorporated in Malaysia under the Companies Act 1965 on 25 September 1996 as a private limited company under the name of Kah Hong Precision Tooling Sdn Bhd and is deemed registered under the Act. It subsequently changed its name to AGSB on 9 June 2023.

AGSB is principally involved in the manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. engine parts and absorber parts).

(ii) Share capital

As at the LPD, the issued share capital of AGSB is RM250,000 comprising 250,000 ordinary shares. There has been no change in the issued share capital of AGSB for the past 3 years preceding the LPD.

(iii) Substantial shareholder and directors

The directors of AGSB are Datin Eloise, Ivy See and Tiu Kuang Hong.

(iv) Subsidiary, associate company and joint venture

AGSB is our wholly owned direct subsidiary. AGSB does not have any subsidiary, associate company or joint venture as at LPD.

As at the LPD, AGSB does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5 INTERNAL RESTRUCTURING****(i) Shareholding Restructuring**

On 9 August 2023, Datin Eloise, being one of the existing shareholders of AGSB entered into a conditional share sale agreement with Ivy See for the transfer of 12,500 AGSB Shares to Ivy See. Further details of the Shareholding Restructuring are set out below:

Shareholders	Before the Shareholding Restructuring	% of share capital	Acquisition / (Disposal)	After the Shareholding Restructuring	% of share capital
	No. of shares	%	No. of shares	No. of shares	%
Datin Eloise	231,250	92.50	(12,500)	218,750	87.50
Tiu Kuang Hong	18,750	7.50	-	18,750	7.50
Ivy See	-	-	12,500	12,500	5.00
	250,000	100.00	-	250,000	100.00

The purchase consideration for the Shareholding Restructuring of approximately RM1.41 million is arrived at a willing buyer-willing seller basis after taking into consideration the audited NA of AGSB as at 31 December 2022 of approximately RM28.12 million based on its audited financial statements for the FYE 2022.

The Shareholding Restructuring did not involve the issuance of any new Shares and was completed on 27 December 2023.

(ii) Acquisition

On 28 December 2023, the Company entered into a conditional share sale and purchase agreement with the vendors of AGSB, namely Datin Eloise, Tiu Kuang Hong and Ivy See to acquire the entire issued share capital of AGSB of RM0.25 million comprising 250,000 AGSB Shares for a purchase consideration of approximately RM31.72 million, which was entirely satisfied by the issuance of 293,742,111 new Shares on 8 January 2024, at an issue price of RM0.108 per Share to Datin Eloise, Tiu Kuang Hong and Ivy See as illustrated in the table below:

Vendors of AGSB	No. of AGSB Shares disposed	% of shareholding held in AGSB	Purchase Consideration (RM)	No. of Shares issued
Datin Eloise	218,750	87.50	27,758,630	257,024,352
Tiu Kuang Hong	18,750	7.50	2,379,311	22,030,657
Ivy See	12,500	5.00	1,586,207	14,687,102
	250,000	100.00	31,724,148	293,742,111

The purchase consideration was arrived at a willing buyer-willing seller basis and after taking into consideration the audited NA of AGSB as at 30 September 2023 of approximately RM31.72 million. The Acquisition was completed on 7 February 2024 and AGSB has become a wholly-owned subsidiary of the Group.

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

6. INFORMATION ON OUR GROUP (Cont'd)

6.6 LISTING SCHEME

In conjunction with and as an integral part of our Listing, our Company undertook a Listing Scheme which involved the following:

(i) IPO

The details of our IPO are set out in Section 4.3 of this Prospectus.

(ii) Listing of and quotation for our Shares

Upon completion of our Listing Scheme, our Company will be admitted to the Official List and our entire enlarged issued share capital of 402,386,413 Shares shall be listed and quoted on the ACE Market.

6.7 MATERIAL INVESTMENTS AND DIVESTITURES

6.7.1 Material investments

Save as disclosed below, our Group has not made any other material investments during the Financial Years Under Review and up to the LPD:

Description	FYE 2021	FYE 2022	FYE 2023	Between 1
	(RM'000)	(RM'000)	(RM'000)	January 2024 up to the LPD (RM'000)
Plant and machinery ⁽¹⁾	113	171	3,768	145
Renovation ⁽²⁾	-	599	1,063	-
	113	770	4,831	145

Notes:

(1) Purchase of machinery including electronic pit type concrete deck weighbridge platform, cutting machine, polish vibratory machine, hydraulic press machine, auto stacker equipment and spot welding machine.

(2) Renovation and relocation of seating line project at our TPG Factory in FYE 2022.

All of the above material investments are located in Malaysia and were funded via internally generated funds.

6.7.2 Material divestitures

AGSB entered into a sale and purchase agreement dated 1 August 2023 with Chan Fook Long (as purchaser) for the sale of Lot 2625 for a cash consideration of RM3,780,000. The transaction was completed on 31 January 2024.

There were no other material divestitures during the Financial Years Under Review and up to the LPD.

6.8 PUBLIC TAKE-OVERS

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

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